



Presentation ThyssenKrupp Elevator & Services

Düsseldorf, October 15, 2008

Edwin Eichler

Member of the Executive Board of ThyssenKrupp AG

CEO ThyssenKrupp Elevator AG

CEO ThyssenKrupp Services AG

ThyssenKrupp








ThyssenKrupp Group FY 2006/07

TK Services business 07/08E:

- Sales > €22 bn
- EBT > €1.1 bn
- Employees ~ 90,000

ThyssenKrupp AG
 Sales: €51.7 billion • EBT: €3,330 million • Employees: 191,000

Steel		Capital Goods	Services	
Steel	Stainless	Technologies	Elevator	Services
Sales: €13.2 bn Employees: 40,000	Sales: €8.7 bn Employees: 12,000	Sales: €11.5 bn Employees: 55,000	Sales: €4.7 bn Employees: 40,000	Sales: €16.7 bn Employees: 43,000
				

Inter-segment sales not consolidated







The Elevator and Services Business of ThyssenKrupp

	Elevator				Services			
	05/06	06/07*	9M 06/07*	9M 07/08	05/06	06/07	9M 06/07	9M 07/08
Sales	4,298	4,712	3,350	3,559	14,204	16,711	12,614	12,702
EBT	391	(113)	(187)	301	482	704	550	515
TKVA	264	(226)	(274)	215	294	487	385	337
ROCE	22.6%	(4.2%)	(12.6%)	24.7%	19.2%	23.6%	24.5%	20.4%
Employees	36,247	39,501	38,556	42,108	40,163	43,012	43,098	46,506

* ThyssenKrupp Elevator figures for fiscal 2006/07 include the EU fine and resultant effects



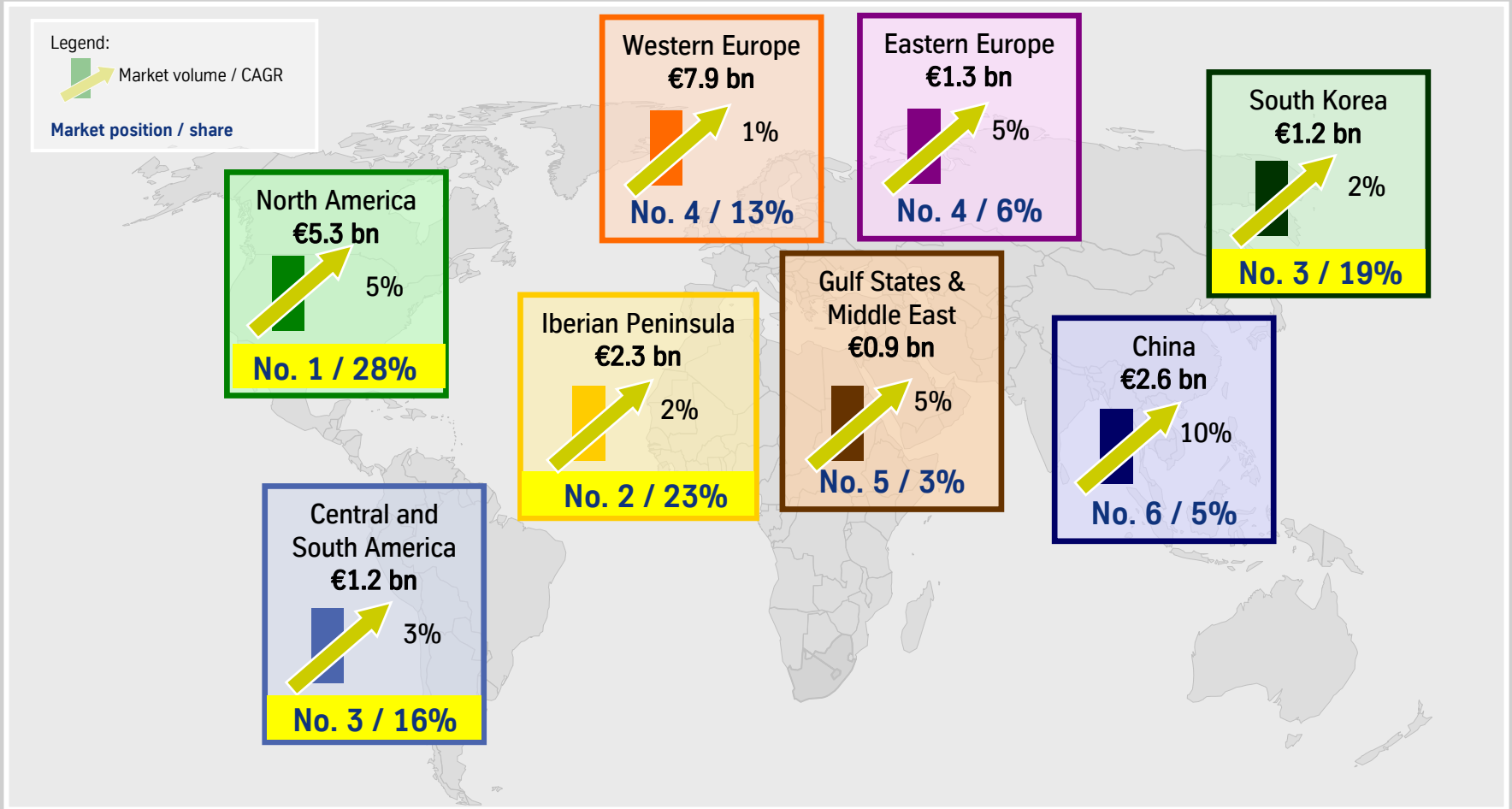
ThyssenKrupp Elevator Organization and Key Figures

ThyssenKrupp Elevator AG						
	Central/ Eastern/ Northern Europe	Southern Europe/ Africa/ Middle East	Americas	Asia/ Pacific	Escalators/ Passenger Boarding Bridges	Accessi- bility
2006/07						
Sales € m*	1,389	774	1,821	505	347	190
Employees	10,633	6,487	14,001	5,213	2,195	882
						
	Service base: 870,000 units					

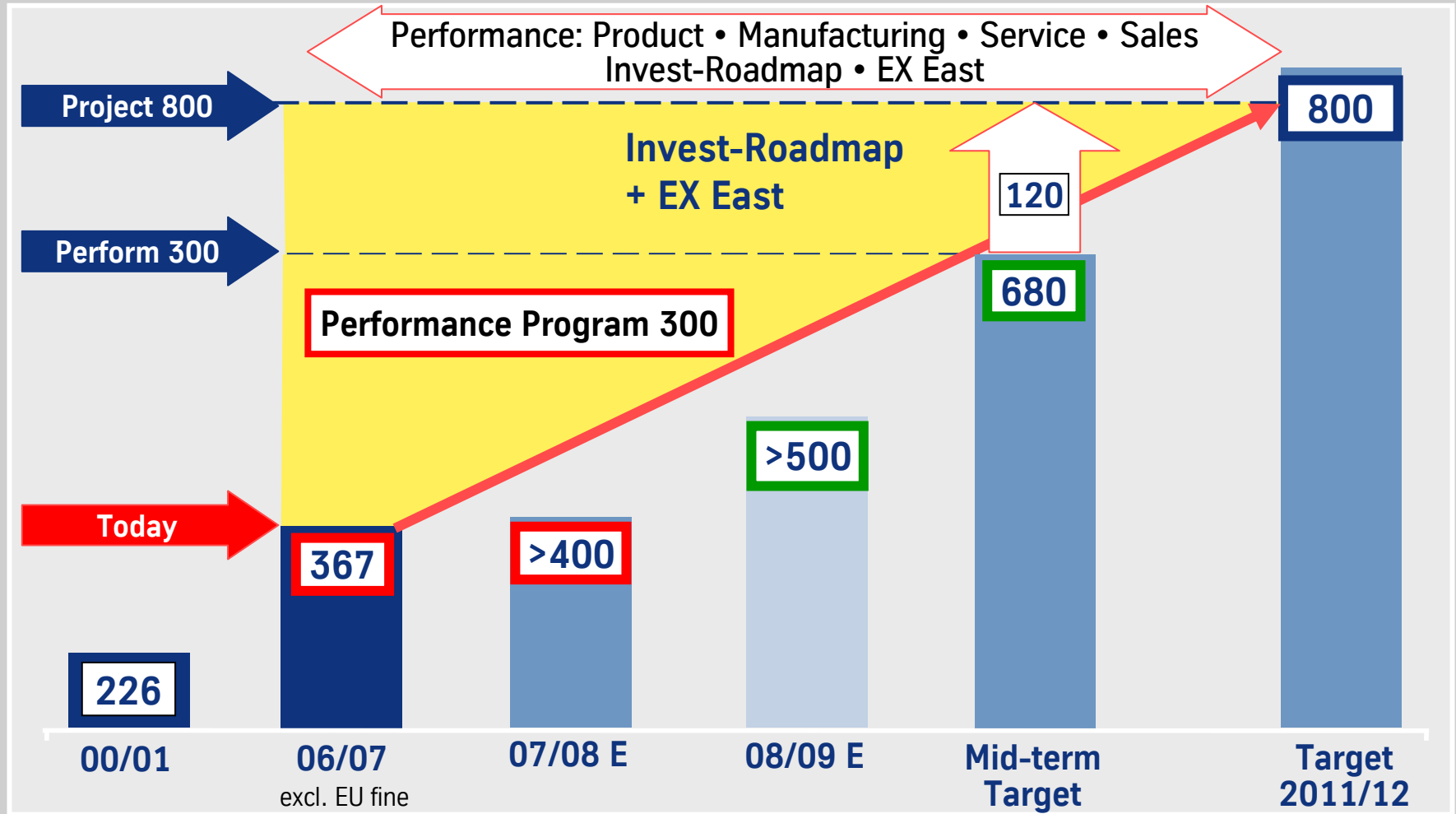
*not consolidated



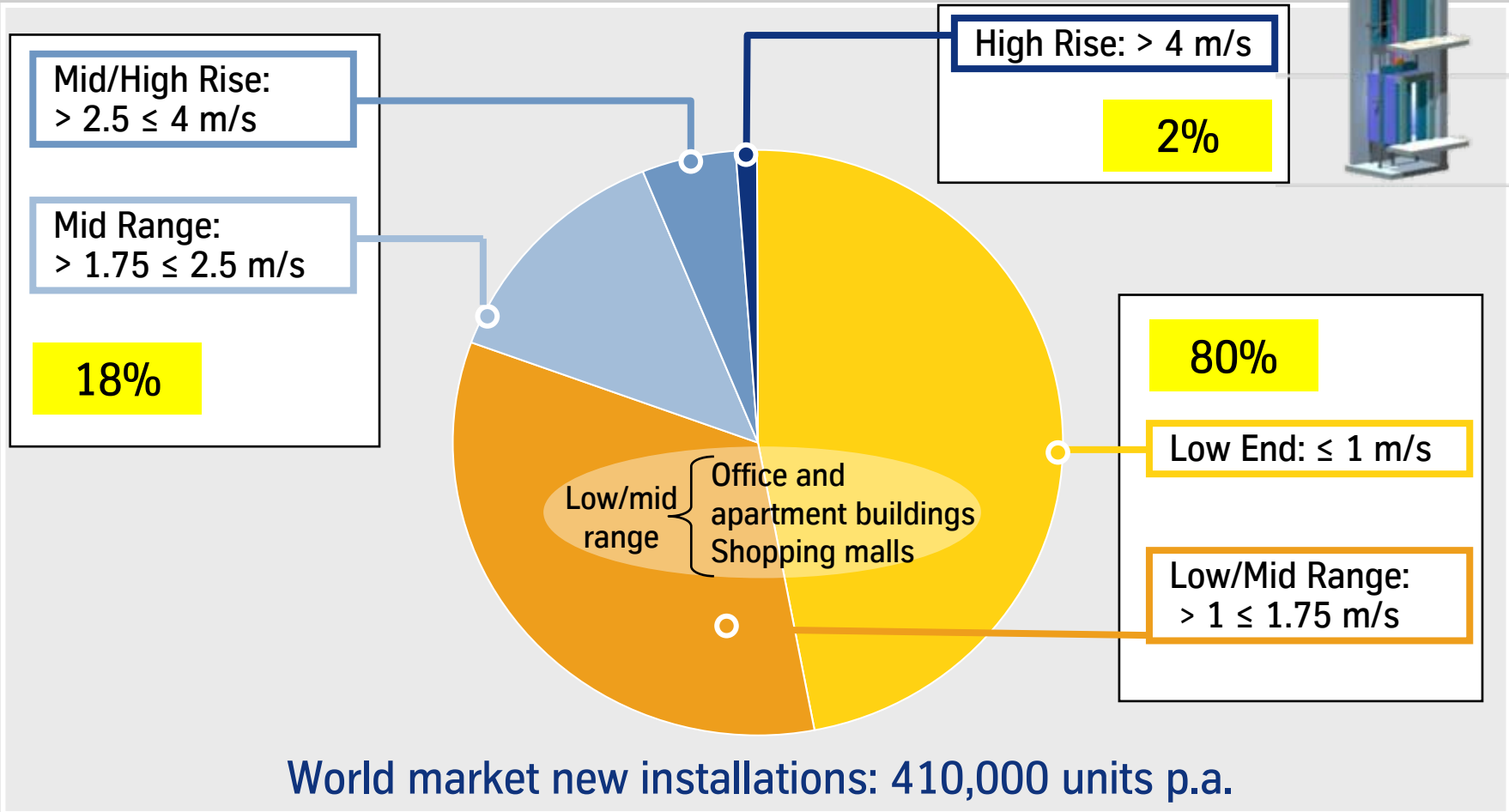
Selective Market Positions of ThyssenKrupp Elevator



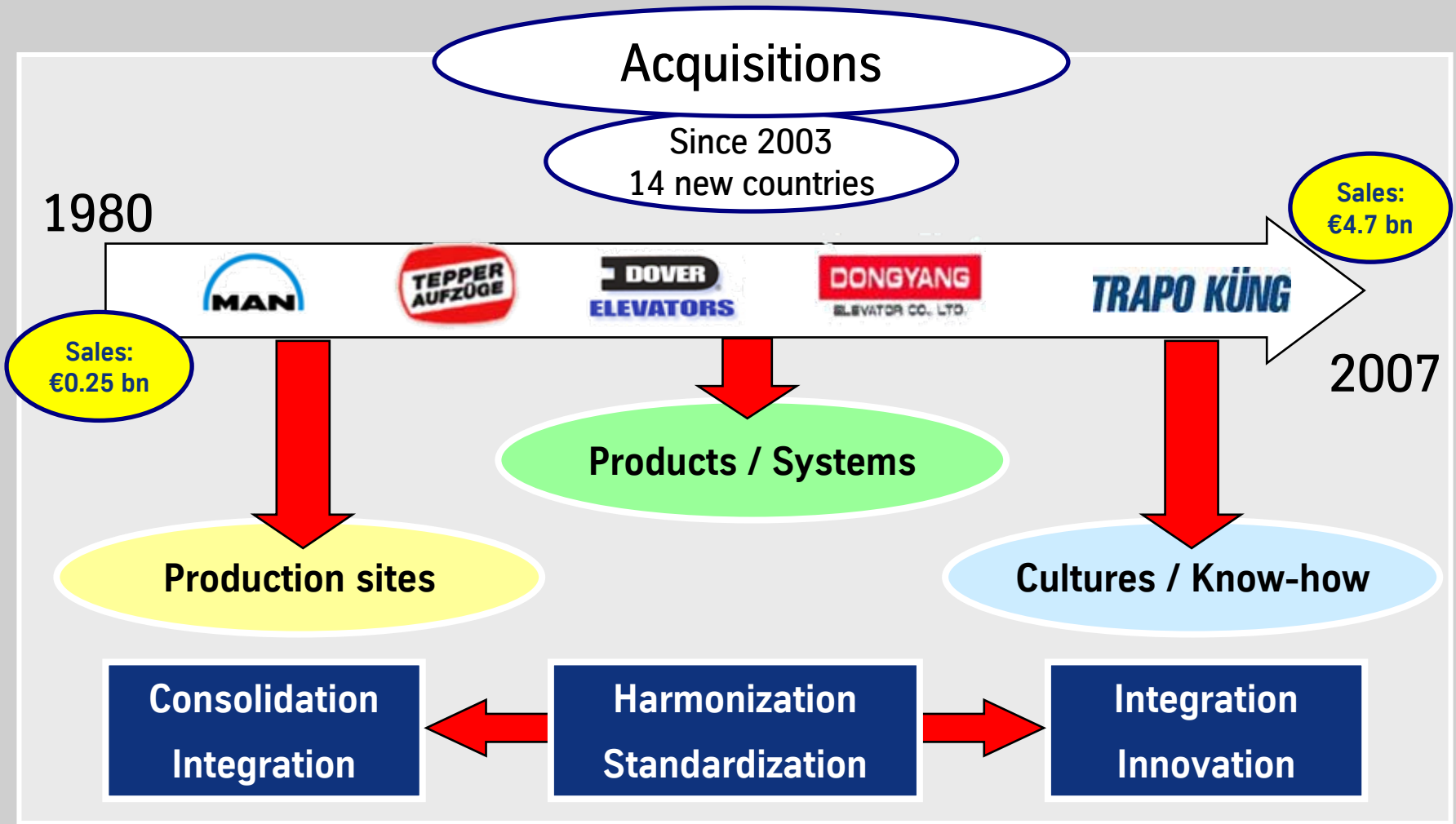
Elevator Performance Program 300



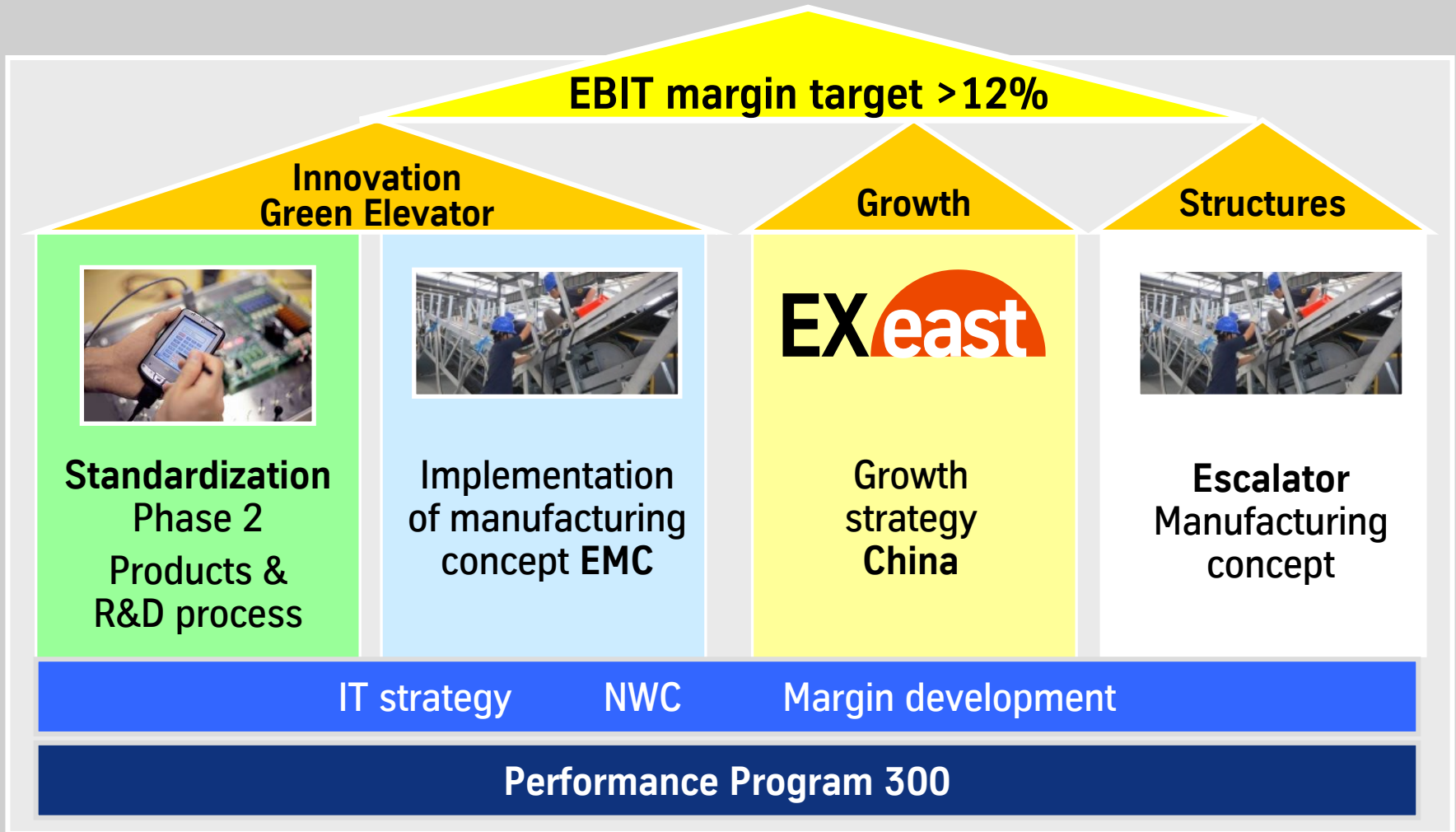
Elevator Market Classification



ThyssenKrupp Elevator: Initial Situation



Strategic Development ThyssenKrupp Elevator



Elevator Performance Program 300

Overview

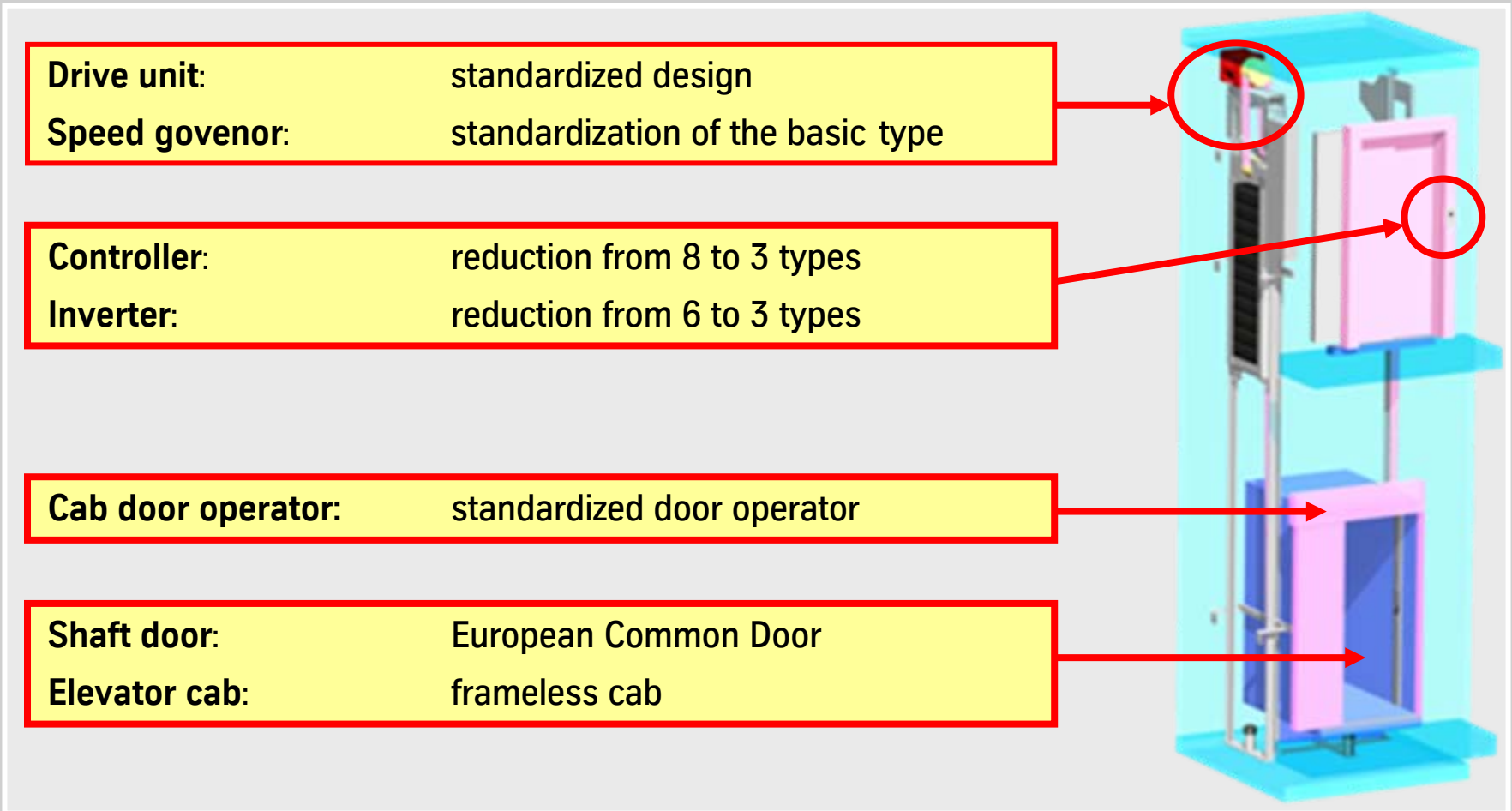
in € m	Δ Manufacturing				Δ NI				Δ Service				Δ Modernization				Δ Total			
	07/08 vs 06/07	08/09 vs 07/08	09/10 vs 08/09	Total	07/08 vs 06/07	08/09 vs 07/08	09/10 vs 08/09	Total	07/08 vs 06/07	08/09 vs 07/08	09/10 vs 08/09	Total	07/08 vs 06/07	08/09 vs 07/08	09/10 vs 08/09	Total	07/08 vs 06/07	08/09 vs 07/08	09/10 vs 08/09	Total
CENE																				
SEAME																				
AMS																				
AP																				
ES/PBB																				
ACC																				
Corp.:EMC																				
EBT Elevator																				280

**Actual
management focus
Σ > €45 m**



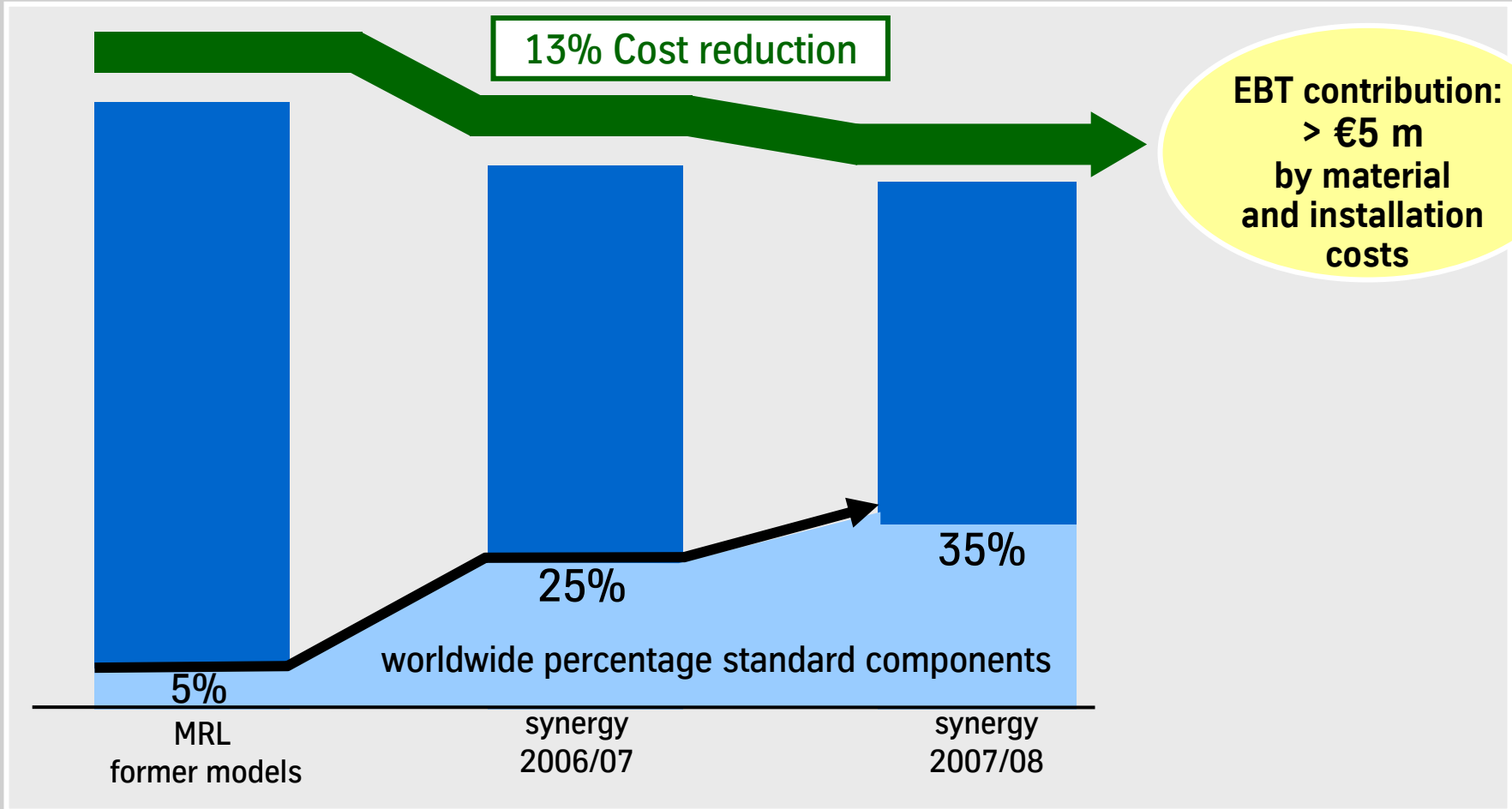
Performance Program 300

Elevators: Worldwide standardization of components for synergy



Performance Program 300

Elevators: Saving potentials of MRL synergy (450kg), BU SEAME



Performance Program 300

Manufacturing: Important investment in Middleton, BU AMS

Automated Sheet Metal fabricating system for elevators

**EBT contribution:
~ €10 m p.a.**



Automated Storage and Retrieval System

Punching/Shear

Forming Machine

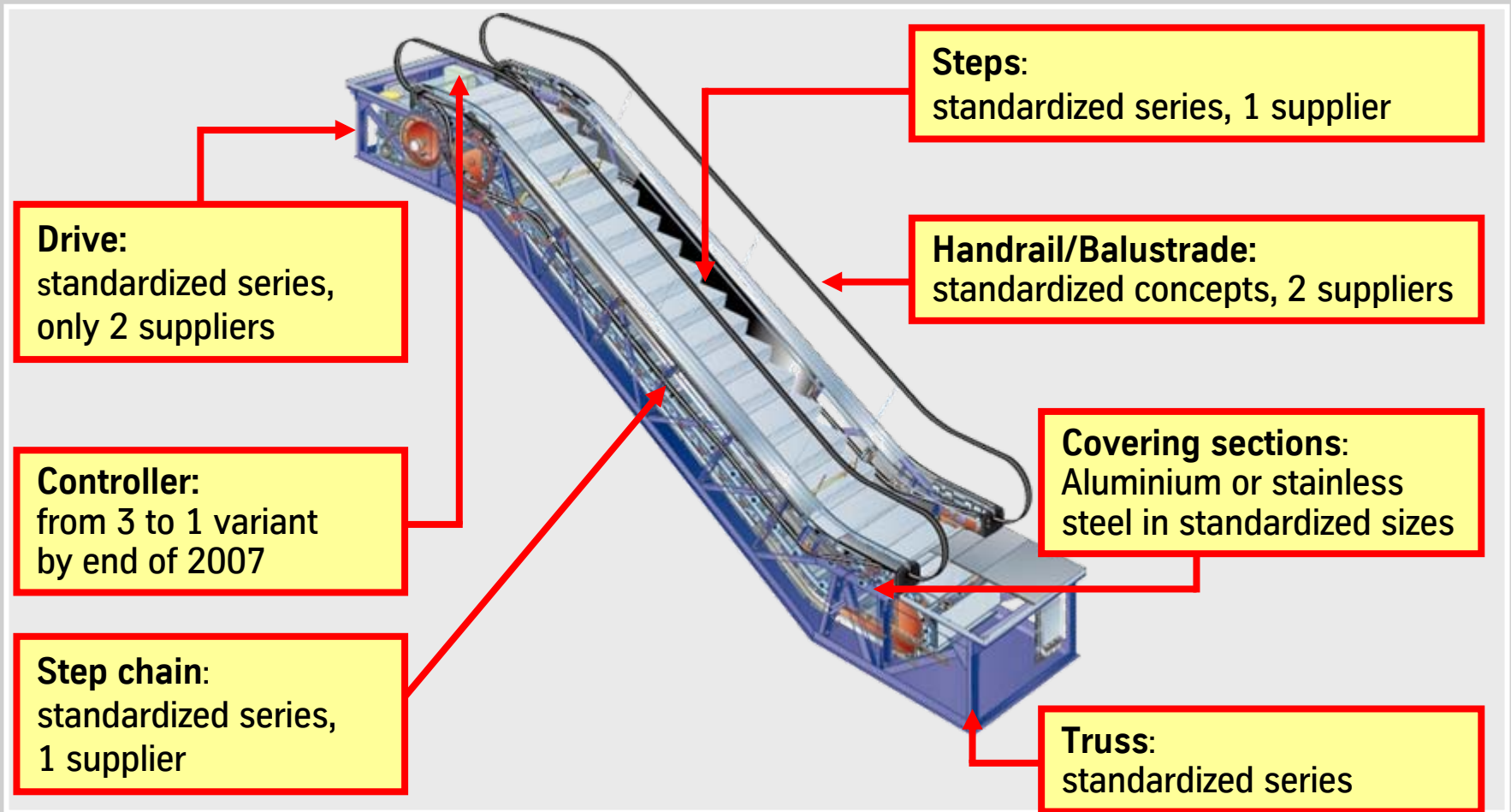


new building



Performance Program 300

Escalators: Worldwide standardization of components

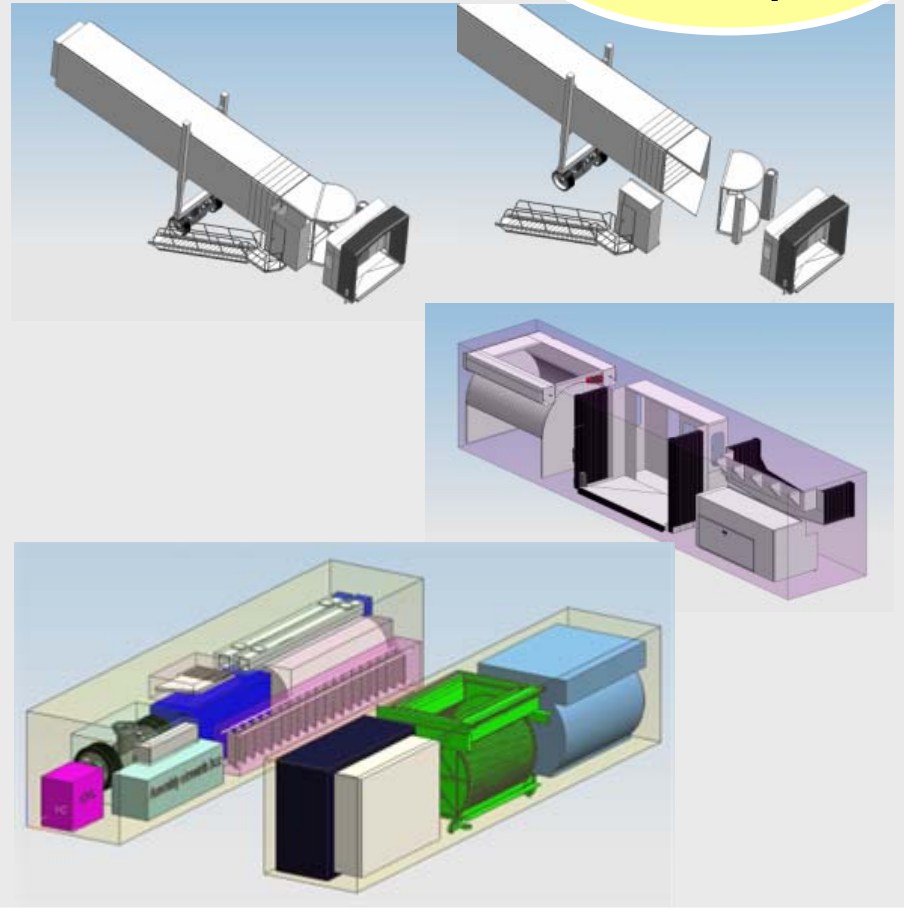
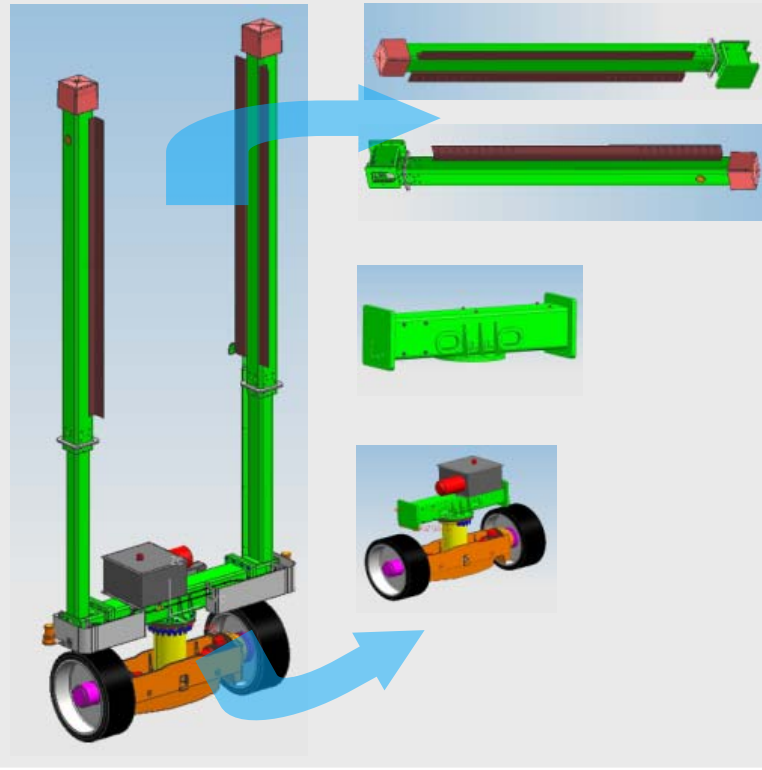


Performance Program 300

Passenger Boarding Bridges, BU ES/PBB

EBT contribution:
~ €3 m p.a.

Modular passenger boarding bridge transport via container

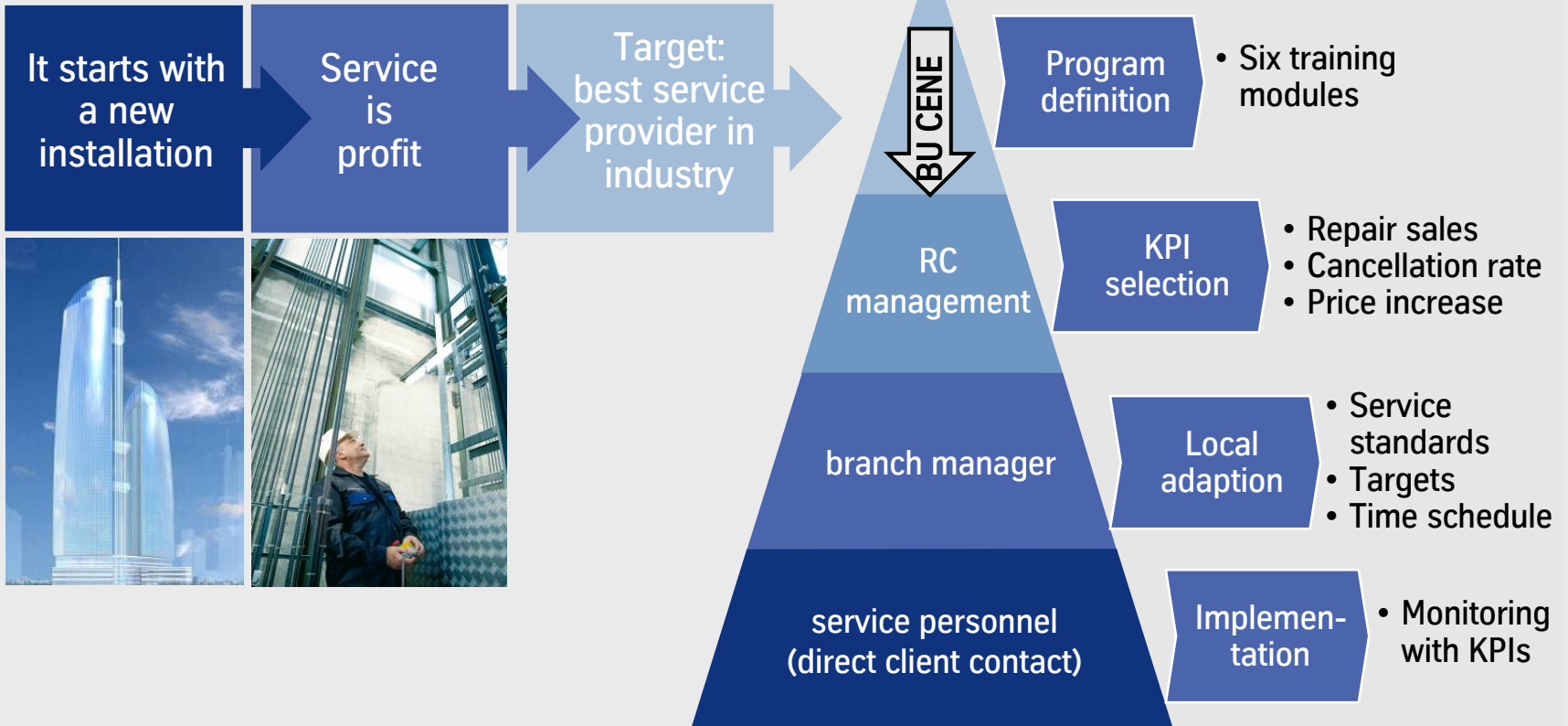


Performance Program 300

Service Awareness Initiative (SAI), BU CENE

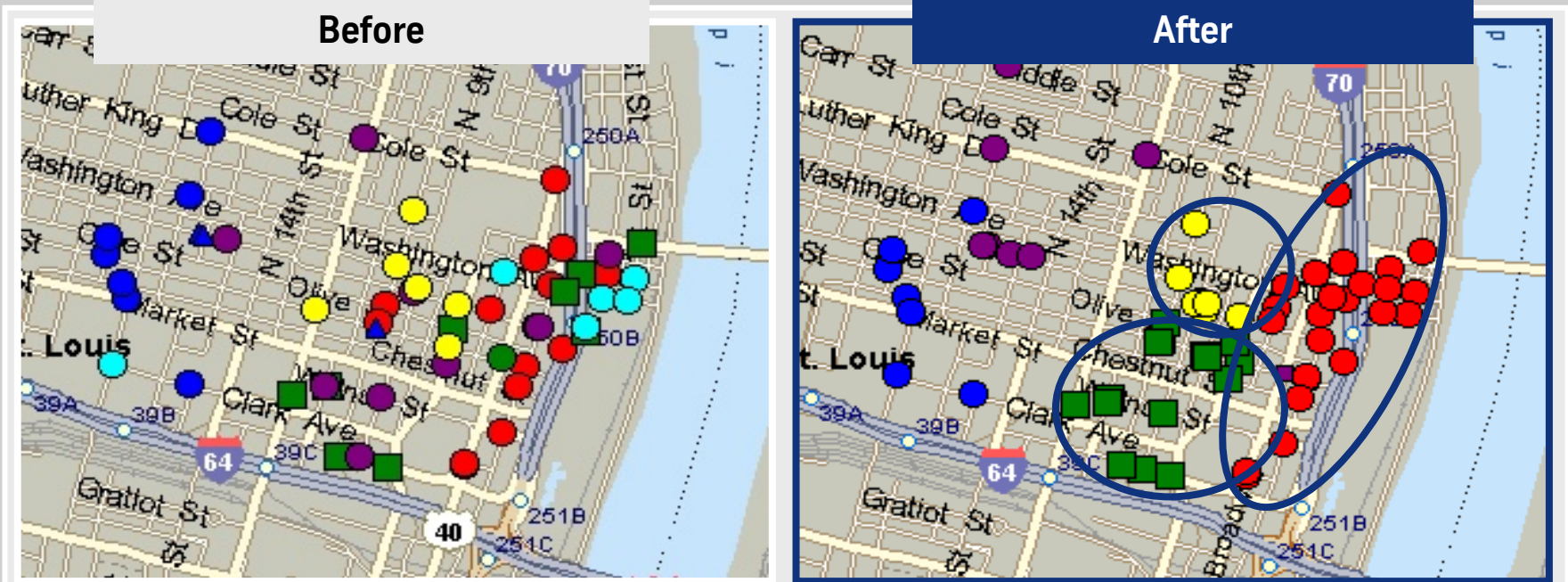
EBT contribution:
~ €6 m p.a.

Focus on Service



Performance Program 300

Services: Reduction non-productive time through route optimization



- Long distances between customers
- Overlapping routes
- High response time in emergency situations

- Reduction of travelling time
- Improvement of reliability
- Higher customer satisfaction

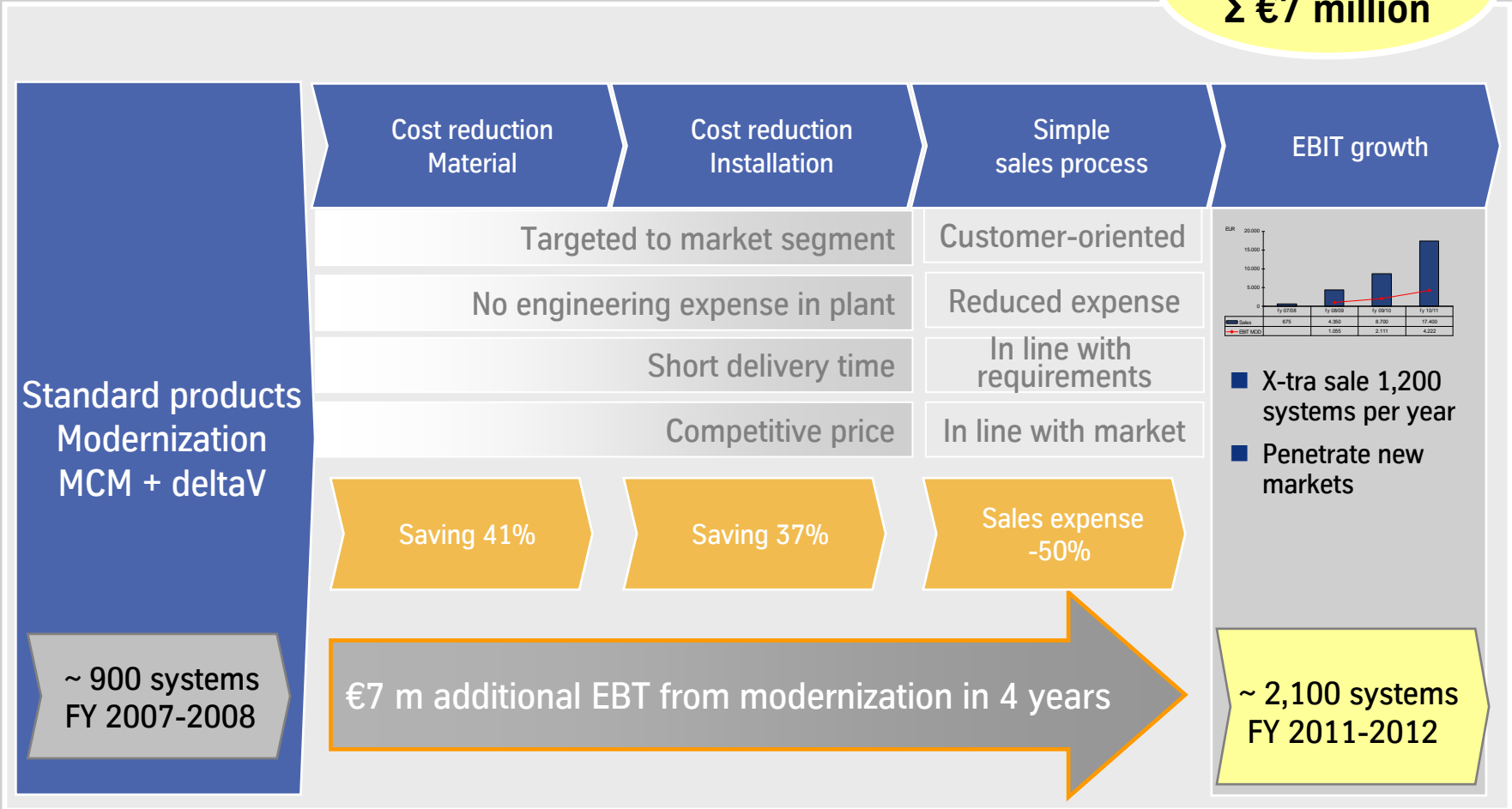
Target: complement and expand service portfolio



Performance Program 300

Modernization package, BU CENE

**EBT contribution:
Σ €7 million**



Performance Program 300

RENEW-Initiative, BU SEAME

EBT contribution:
 $\Sigma > \text{€}20 \text{ m}$

Specialized sales unit for after-sales services
Individual targets for own and third-party portfolio

Support Activities → Tool Boxes



Big Orders Olympia 2008



Olympic Park National Conference Centre

318
elevators, escalators,
moving walks,
and two exclusive
mobile escalators



Wukesong Cultural and Sports Center



Beijing International Airport Extension



Olympic Sailboat Centre, Qingdao



Beijing International Airport

ThyssenKrupp Elevator



Big Orders

Delhi International Airport Terminal 3, India

271 units:

- 73 elevators
- 135 escalators
- 63 passenger boarding bridges
- 5 years maintenance contract



Big Orders

United Tower, Jeddah, Kingdom of Saudi Arabia

First TWIN in the Gulf States

- ➔ 4 TWINs
- ➔ 9 elevators
- ➔ 6 escalators



Milestone Project

Freedom Tower, New York City

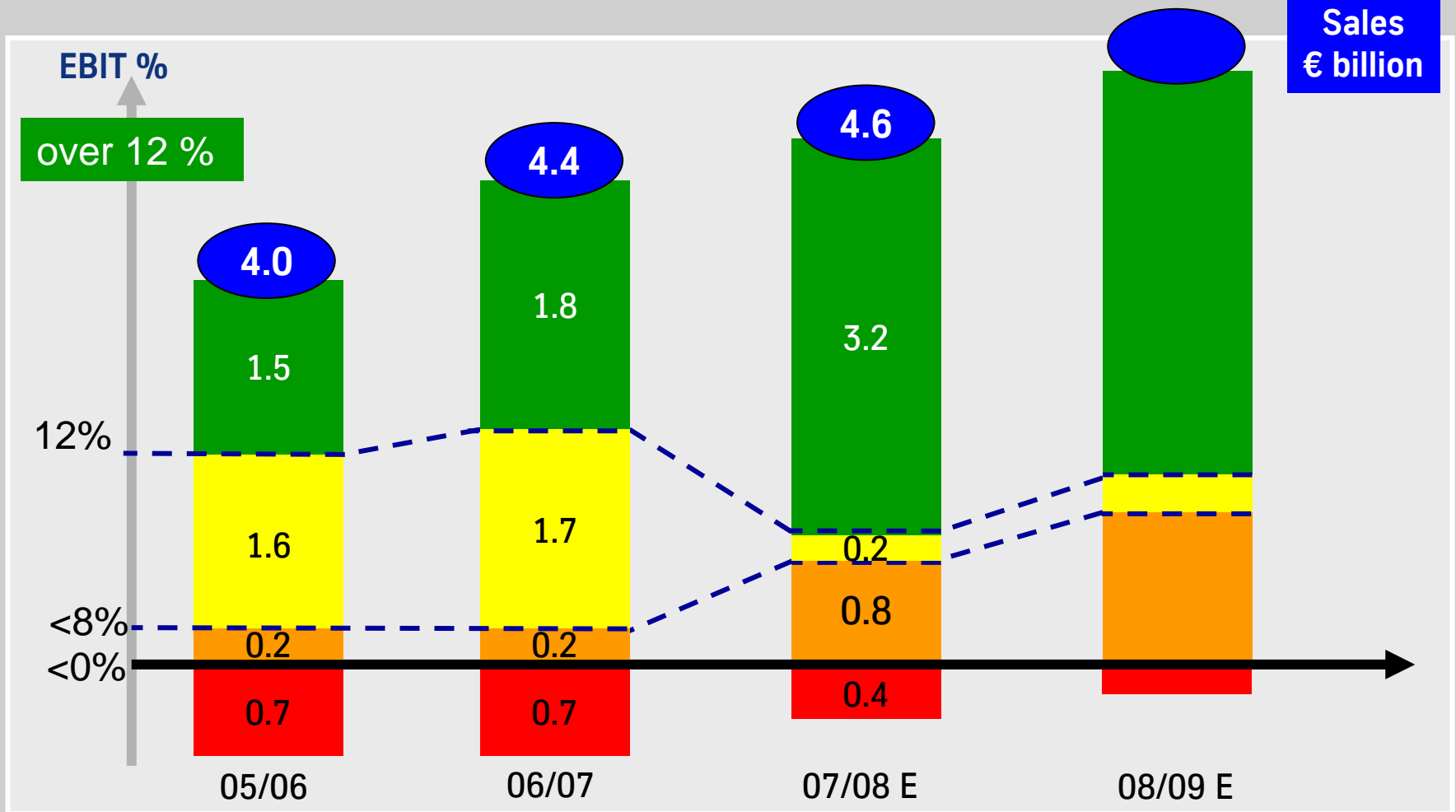
At the site of the former World Trade Center

- ➔ Building height: 541 m
- ➔ 105 floors
- ➔ 71 elevators (max. speed: 9 m/s)
- ➔ 9 escalators
- ➔ Long term maintenance contract
- ➔ Contract volume: approx. US\$ 150 million
- ➔ Completion: December 2011



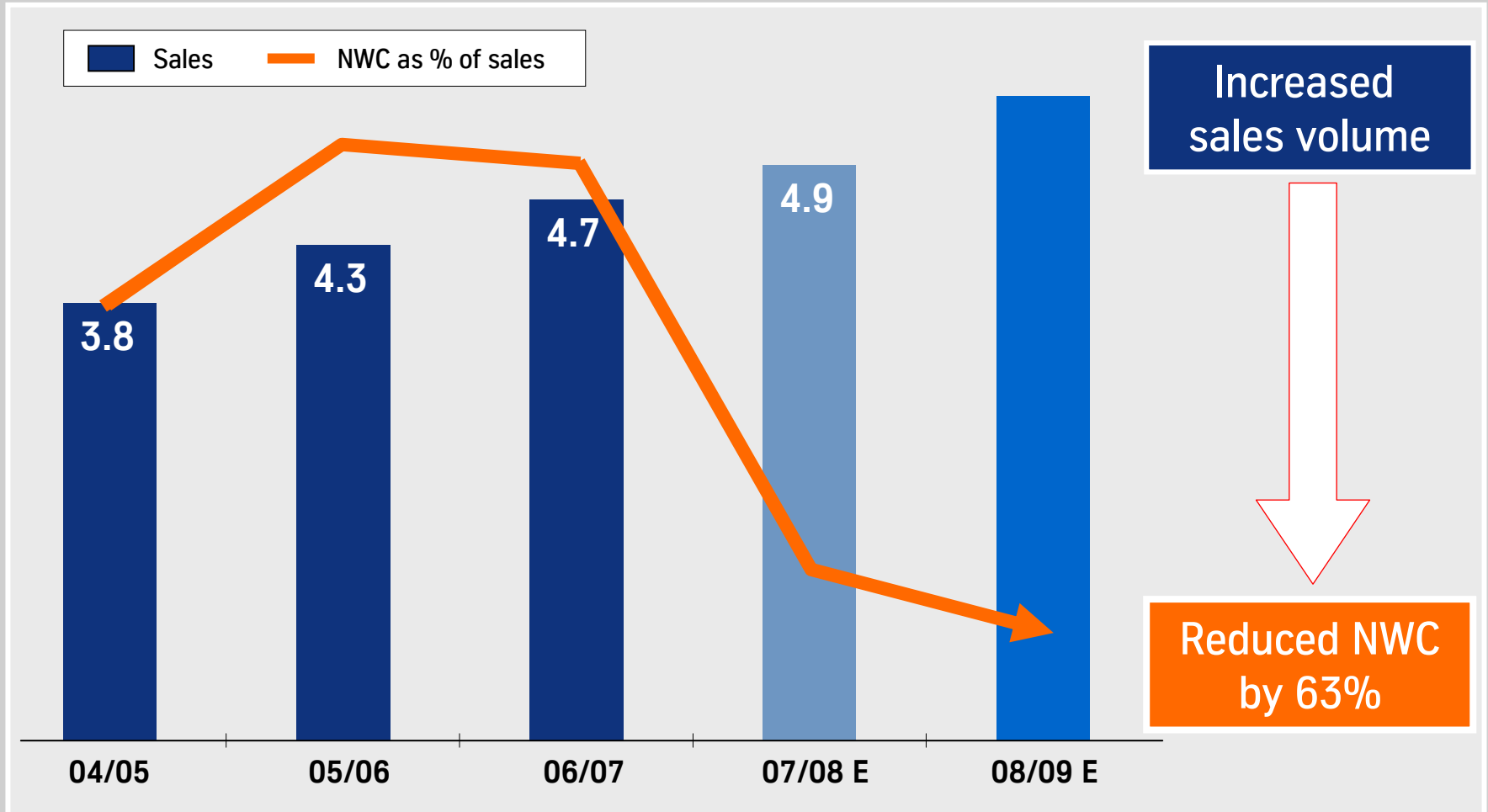
Continuous Margin Improvement ThyssenKrupp Elevator

Analysis of company portfolio (without ACC, ES/PBB and Corp./Cons.)



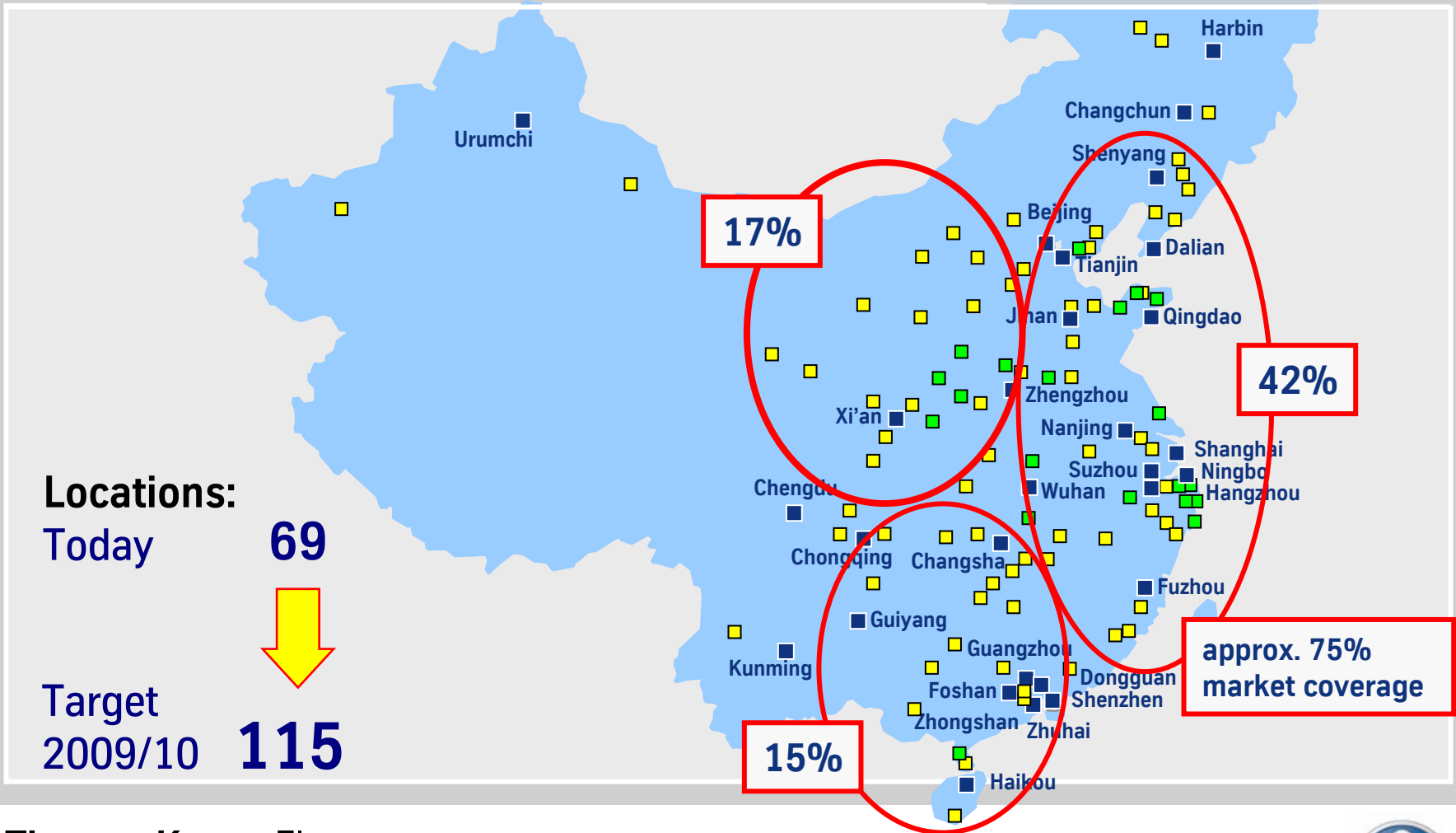
NWC Management ThyssenKrupp Elevator

Development of sales (billion €) and NWC as % of sales

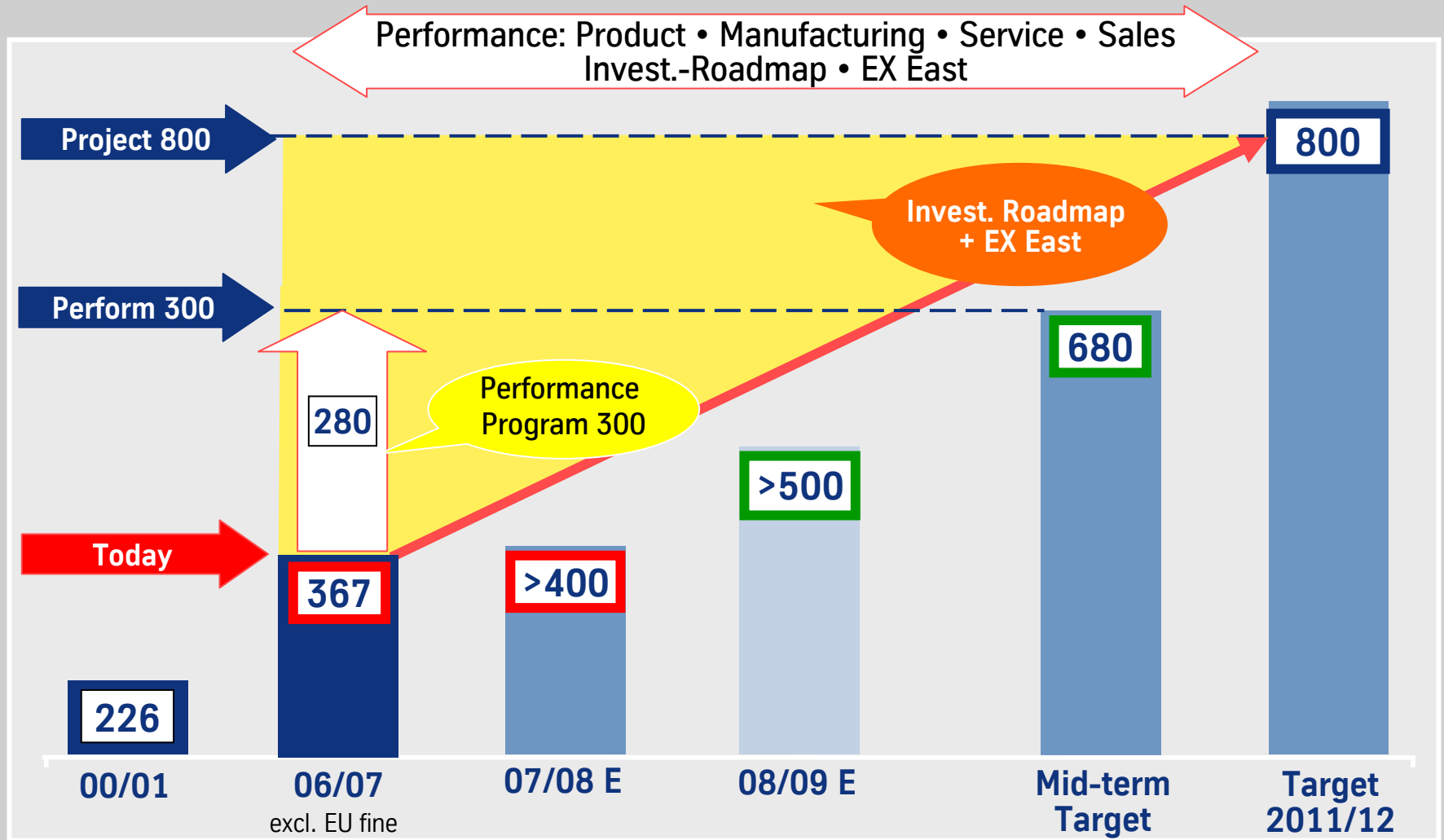


Network Expansion China ThyssenKrupp Elevator

Target 2009/10

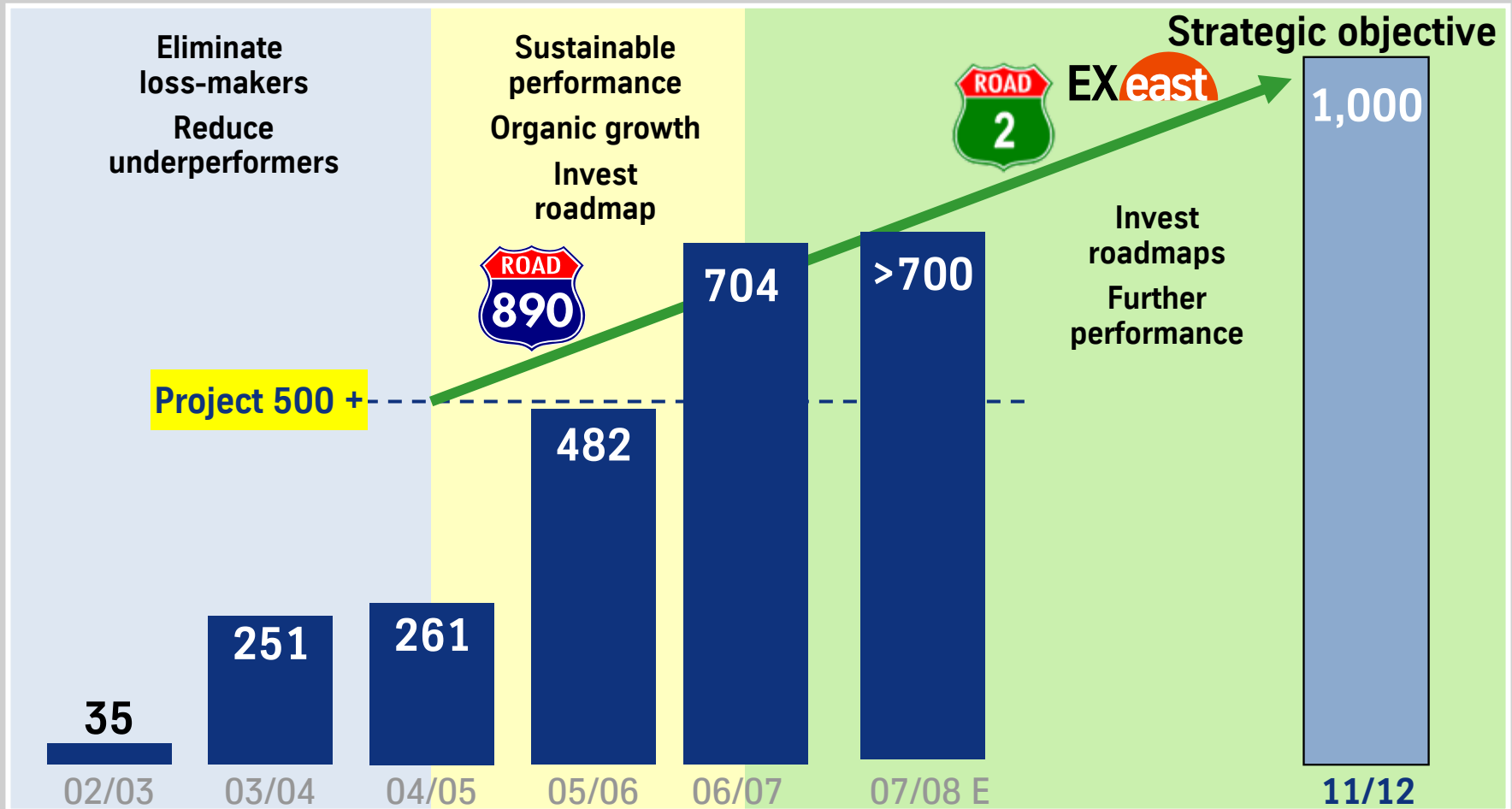


Elevator Performance Program 300



Strategic Development of ThyssenKrupp Services

EBT million €



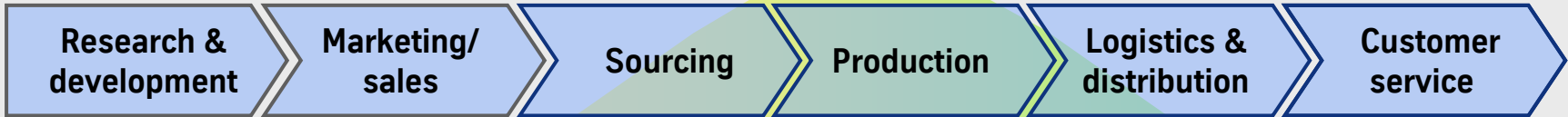
ThyssenKrupp Services



ThyssenKrupp Services Business Model

One stop shopping for the producing and processing industry

Customer's value chain



Supply Chain Management

Outsourcing

Processing

Logistics

Process Support

Integrated Materials Supply

Maintenance Services

Materials Services

Operating Services

Technical Services



Value oriented services across the customer's value chain

ThyssenKrupp Services



Unique Portfolio in Products and Services

Sales by products/services (%), 2006/07

More than **150,000** product items

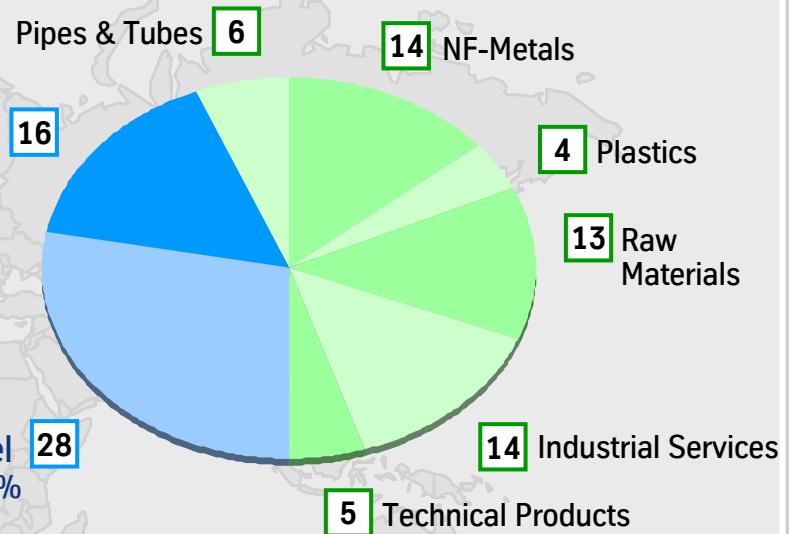
Steel share below **50%**, continuing to decline

NOT a sales organization for Steel and Stainless segments

About **300,000** customers worldwide

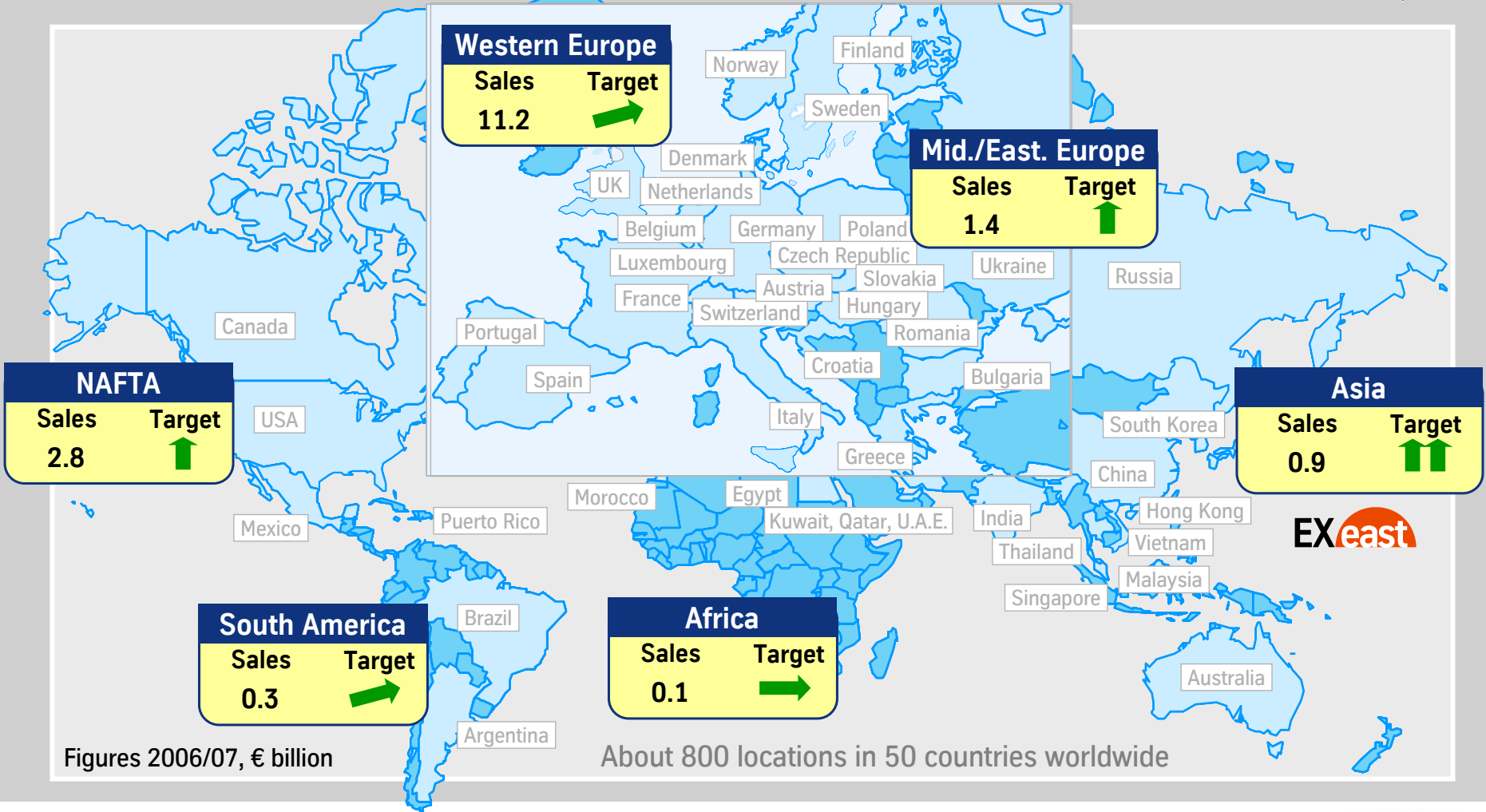
Services are driving growth

ThyssenKrupp Products 10.2%



Growth Strategy ThyssenKrupp Services

Geographical expansion into attractive economic regions



ThyssenKrupp Services



Characteristics of Materials Services Business – Review of Growth Strategy

Materials Services



150,000 product items:
rolled steel, stainless steel,
pipes, nonferrous metals,
plastics

Warehousing, processing,
logistics, warehouse and
inventory management,
supply chain management

250,000 customers

Sales €10.2 billion

13,695 employees

440 bases
in 35 countries

+ Good performance and growth

+ Market position Europe, USA

+ Standards, systems, synergies

+ Strong growth opportunities Eastern Europe, Asia, USA

+ Targets available in all markets

! Competition growing more strongly through acquisitions

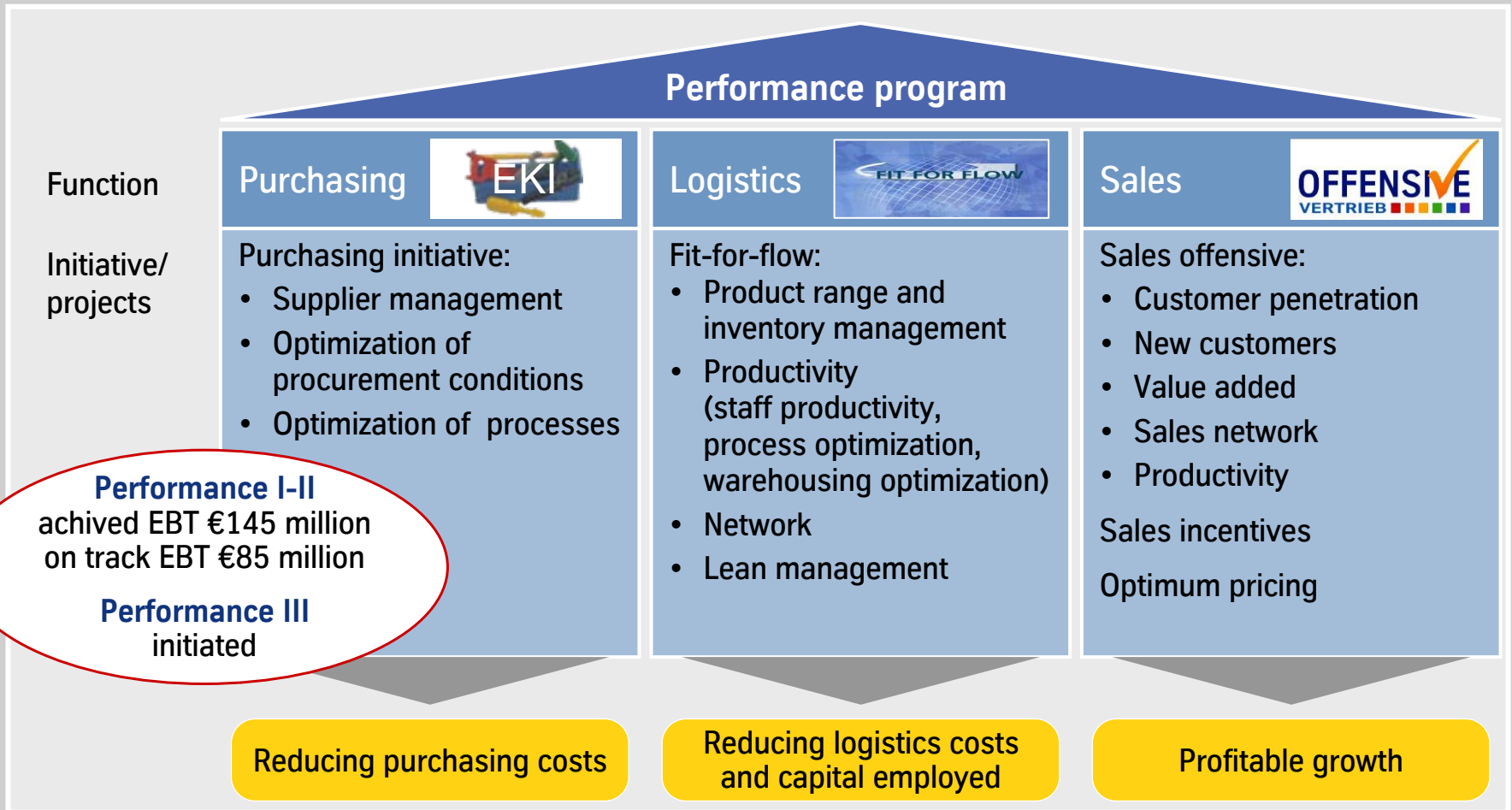
- Volatility, capital employed

Core of segment, roll-outable, stable and manageable business model, high earnings/good EVA, global growth opportunities, possible major acquisitions, chance to become No. 1



Performance Materials Services

Consistent efficiency improvement, continuation of performance programs

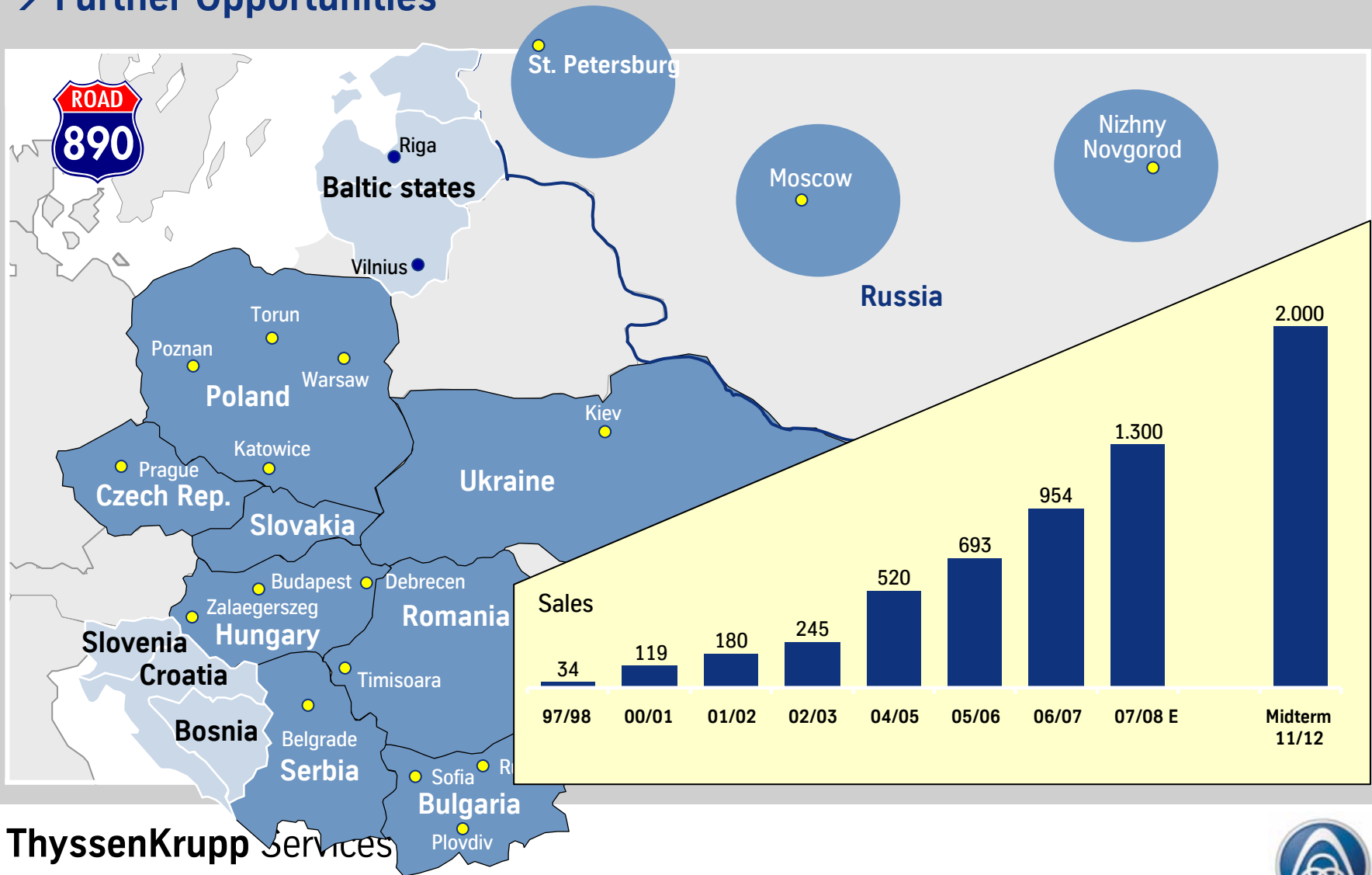


Growth Strategy for Materials Services

Growth in several directions



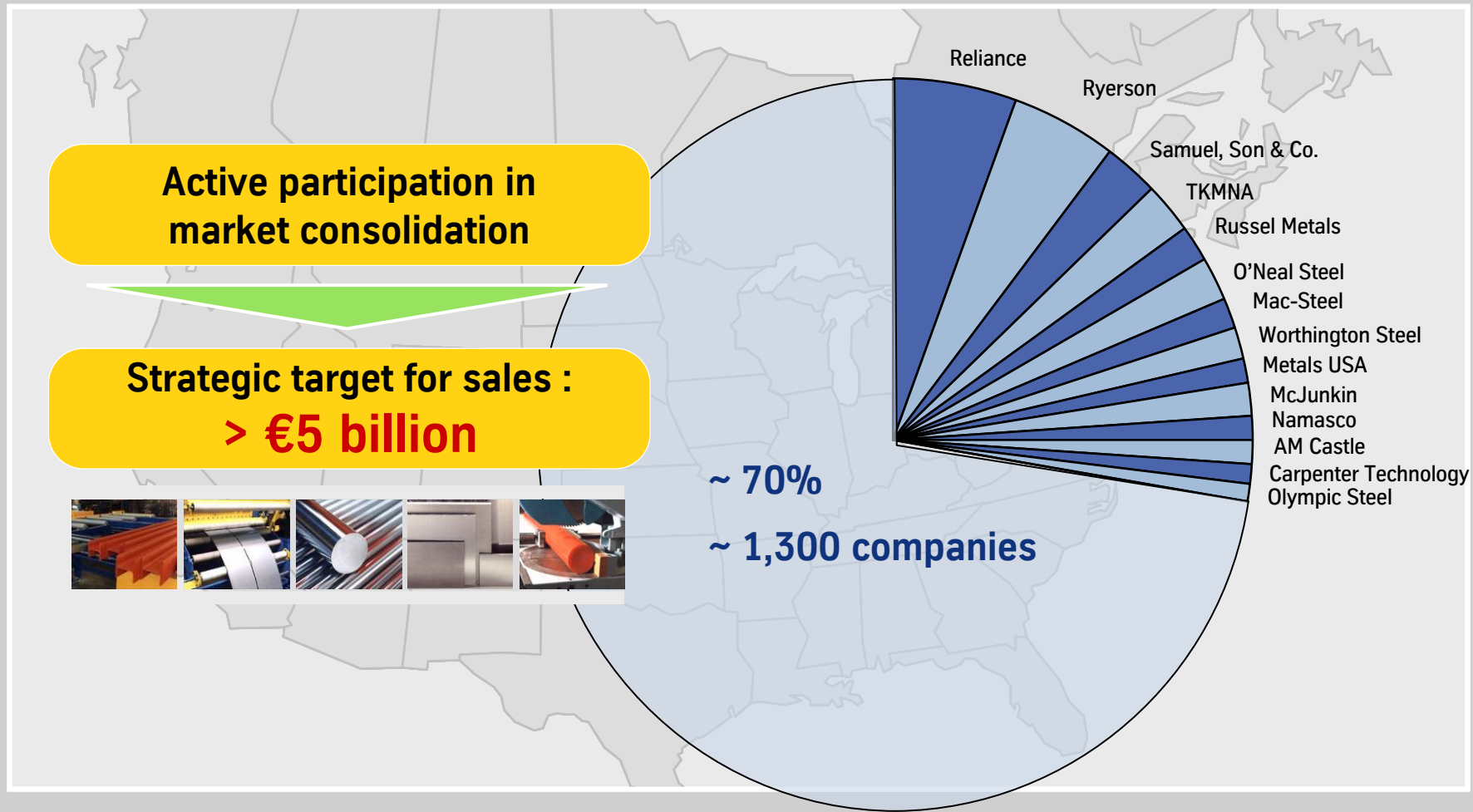
Materials Services Business Model Successfully Rolled Out to Eastern Europe → Further Opportunities



ThyssenKrupp Services



Overview of North American Materials Market – with a Volume of €90-100 Billion one of the World's Biggest



Example: Geographic Presence of Materials Services NA Expanded with Branches in Kenosha & Kansas City



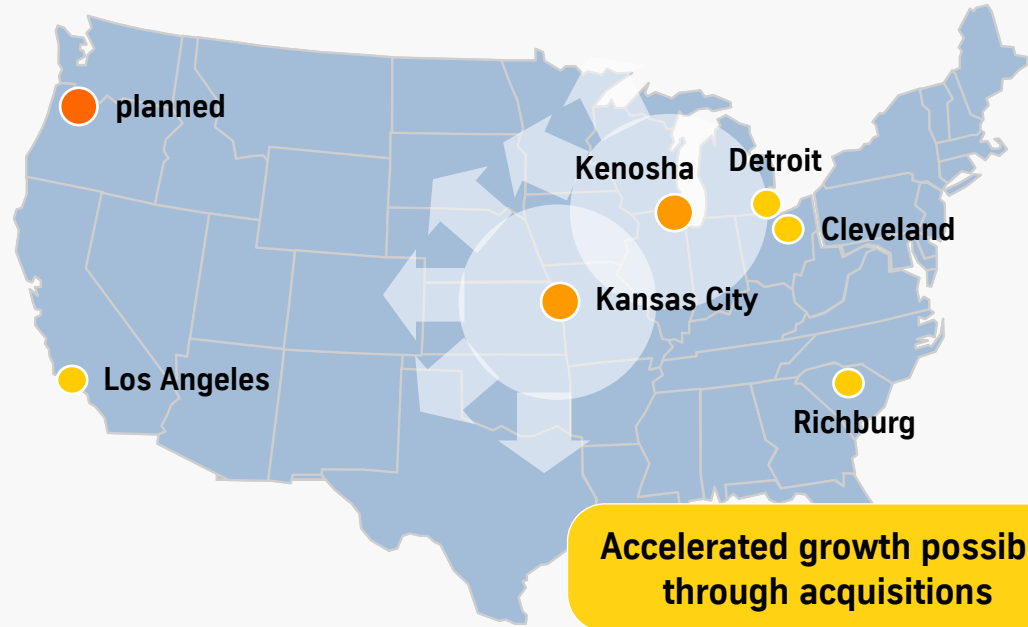
Geographic growth



Increased penetration of established core markets through increased capacity in existing branches

Investments underway

- Expansion – Kenosha branch
- Greenfield - Kansas City branch



Accelerated growth possible through acquisitions



Field Research China/East Asia ThyssenKrupp Services

Interviews and site visits in China



Suppliers



Competitors

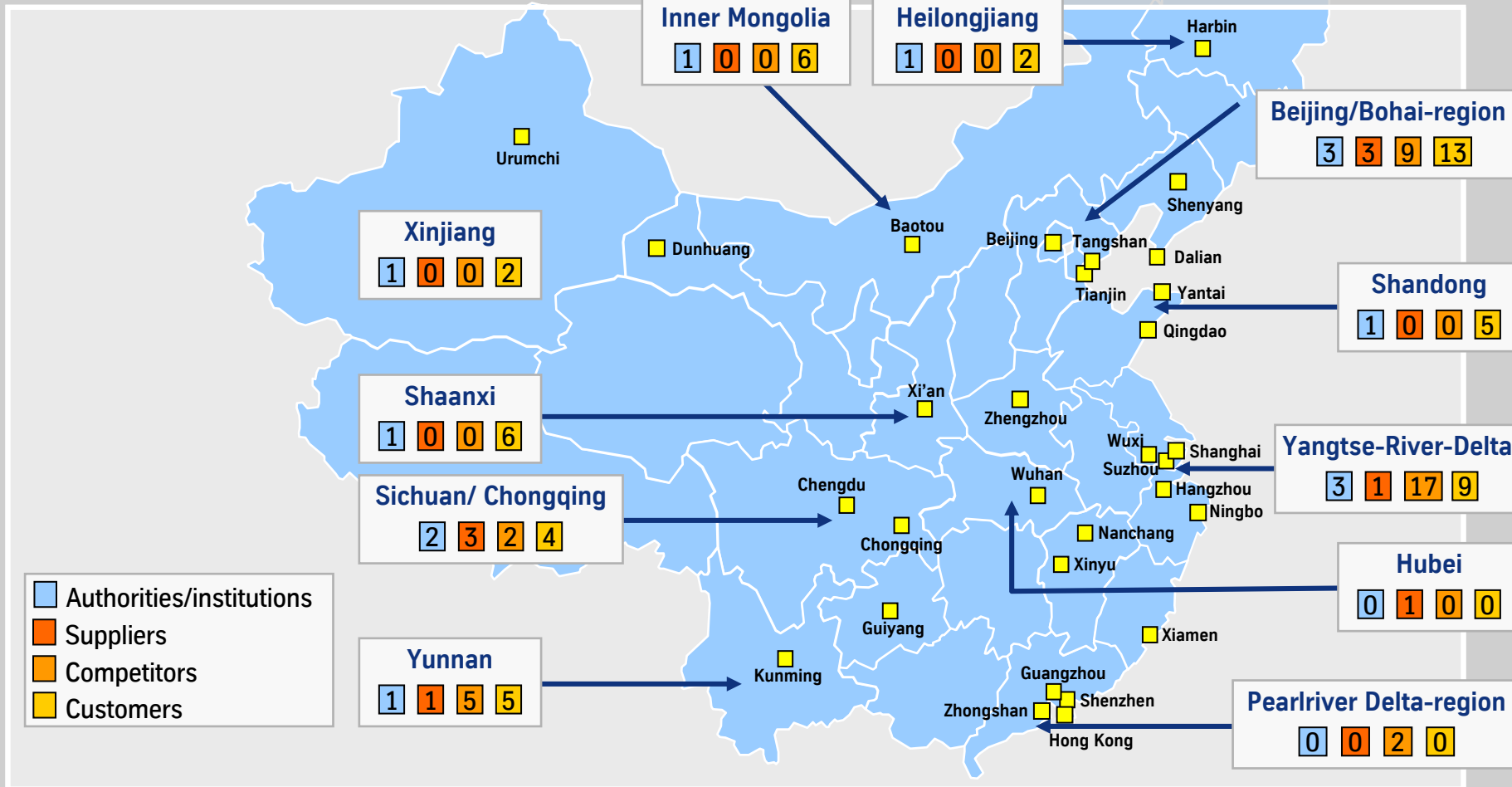


Customers



Field Research China/East Asia ThyssenKrupp Services

To date 110 visits and meetings



ThyssenKrupp Services



Field Research China ThyssenKrupp Services

Overview M&A targets



	Σ €265 mill.	Σ €1.1 mill.	Σ €2.5 mill.
Product			
Carbon			
Stainless			
Non-Ferrous			
Sales	< €250 mill.	€250 - 500 mill.	€500 - 2,000 mill.

Confidential!

Targets
accumulate to
ca. €3.9 billion
sales in 2007



One Focus of Materials Services is the Aerospace Industry in China



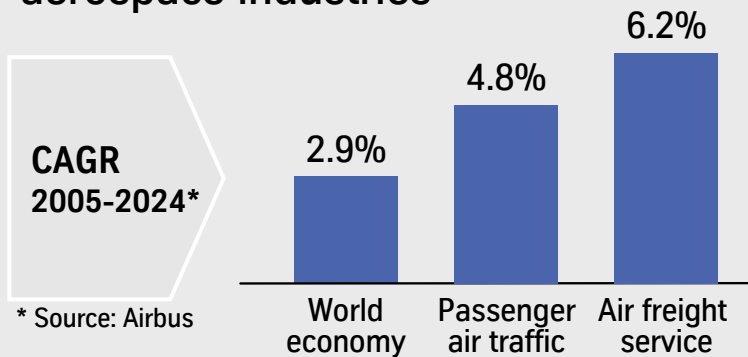
Source: Airbus, TKX analysis



Growth Sector for Materials Services – Aerospace Industry

Expansion in growth sectors and services Example: Acquisition of Apollo Metals Group

- Disproportionate growth of aerospace industries



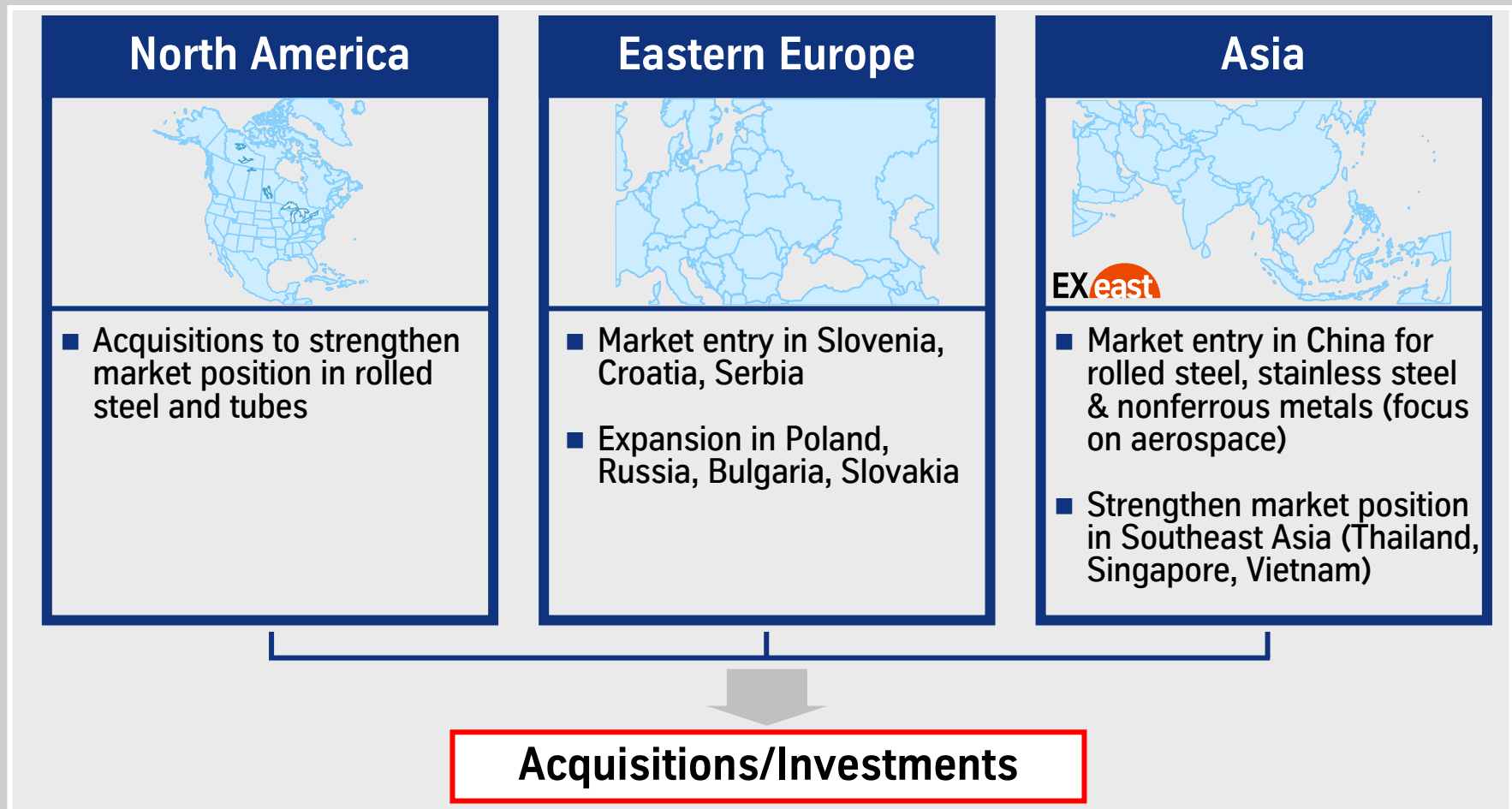
- High demand for supply chain services
- Combined pro-forma sales of ~€0.5 bn, 1,200 employees, 30 service centres in North and South America, Europe, Asia



Successful integration: New brand ThyssenKrupp Aerospace established

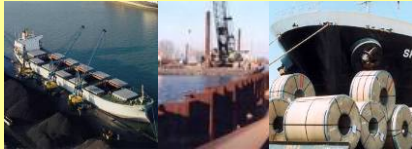


Materials Services Growth Projects



Characteristics of Special Products Business – Review of Growth Strategy

Special Products



Trading with steel, pipes and components,
raw materials and energy,
system solutions for contractors' plant and railway equipment

Sales €4.6 bn

1,060 employees

97 bases
in 31 countries

+ Unique business model, strong entrepreneurship

+ Proven mastery of risks and top performance

+ Huge growth opportunities in E. Europe, Middle East, Asia

+ Proximity to materials business and to Group

! Rapid decisions required, opportunities

- Min. shareholding + off-take not mainstream in the Group

- No major acquisitions possible, lack of targets

Excellent growth opportunities through minority shareholdings with off-take agreements and global infrastructure projects, pioneering role for Materials Services in growth markets

Accelerate growth and raise independent profile through participation of a strategic partner



Special Products – Top Positions on the World Market



<ul style="list-style-type: none"> ■ ThyssenKrupp Mannex (rolled steel, tubes) 	<p>World</p>	<p>Top ten</p>
<ul style="list-style-type: none"> ■ ThyssenKrupp GfT Gleistechnik (railway equipment) 	<p>World Europe Germany</p>	<p>Top ten No. 2 No. 1</p>
<ul style="list-style-type: none"> ■ ThyssenKrupp GfT Bautechnik (contractors' plant, sheet piling technology) 	<p>World Europe Germany</p>	<p>No. 2 No. 2 No. 1</p>
<ul style="list-style-type: none"> ■ ThyssenKrupp Metallurgie/ ThyssenKrupp MinEnergy (metallurgical products/ minerals, coke) 	<p>World – available volumes Nickel Coke Ferroalloys</p>	<p>No. 1 No. 1 No. 2</p>

ThyssenKrupp Services



Special Products Growth Projects

Mannex



EX^{east}

- Minority interests and exclusive marketing rights
- Products: rolled steel and large-diameter tube
- Regional: focusing on Europe & Asia

Raw materials



EX^{east}

- Minority interests and exclusive marketing rights
- Products: nonferrous metals & coke/coal

Engineering



- Expansion to system provider in rail equipment and sheet piling

Acquisitions/Investments



Example: ThyssenKrupp MinEnergy Benzene processing plant Jiahua, China

Project

Benzene processing plant

Overview of project

- Expand business volume/value added
- Entry into production of coke by-products
- Production of approx. 200,000 t p.a.
(in two phases, each 100,000 t)
- 25% interest
- Cooperation with Rüttgers

Expected ROI: > 25%



Characteristics of Industrial Services Business – Review of Growth Strategy

Industrial Services



Maintenance, production-support services,
outsourcing

Sales €1.9 bn

28,060 employees

245 bases
in 22 countries

+ Low volatility, high cash flow

+ Good performance, organic growth

! “People’s business” – workforce, coll. agreements, structures

- No major international targets (streamlining necessary)

- High purchase prices, goodwill

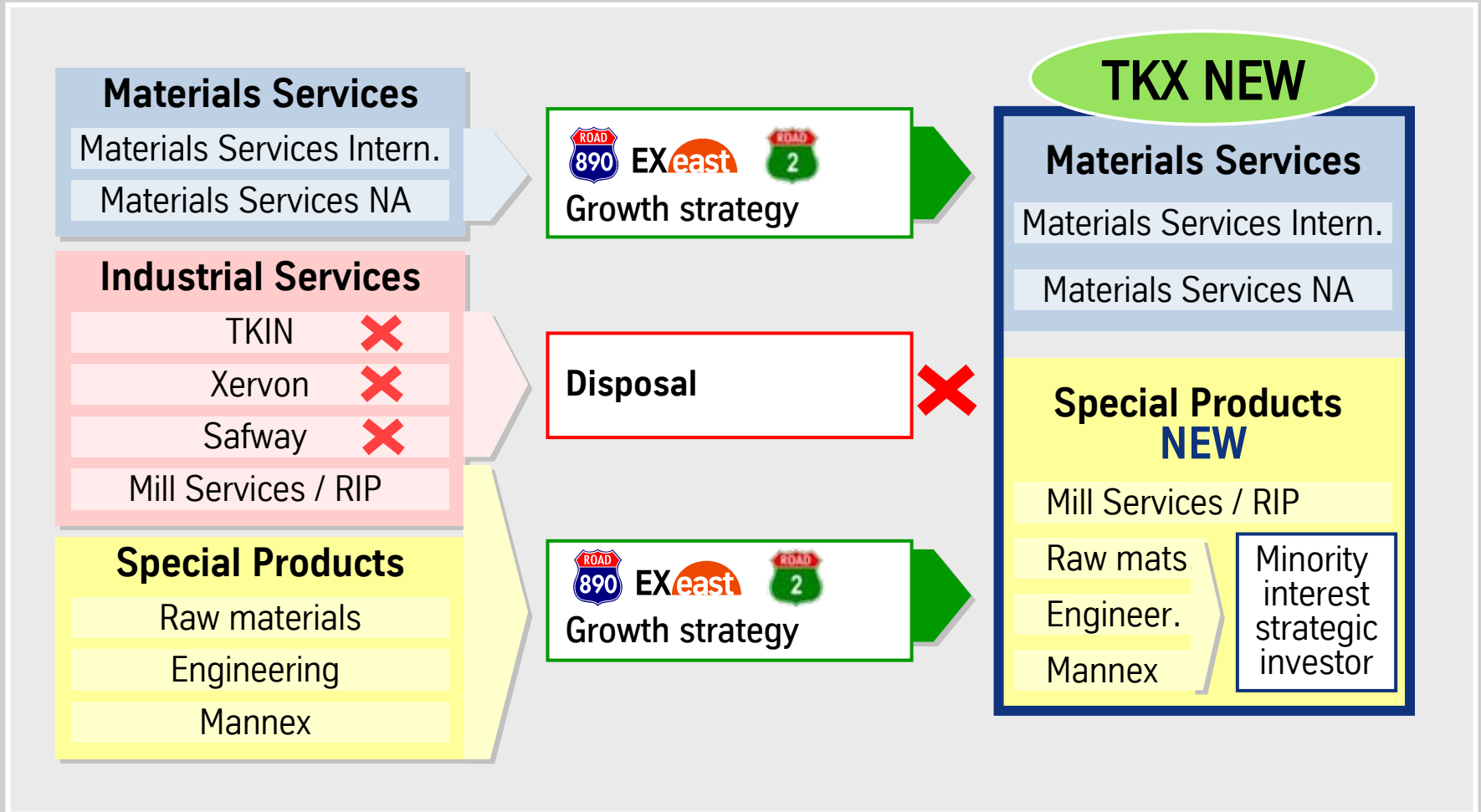
- Low synergies at branch level for acquisitions

- Compared with Materials Services limited growth in Eastern Europe, Asia (low-wage countries)

Smallest BU, few synergies with Materials Services, opportunities for expansion into a key pillar of the segment limited, personnel intensity calls for different organizational and management structures

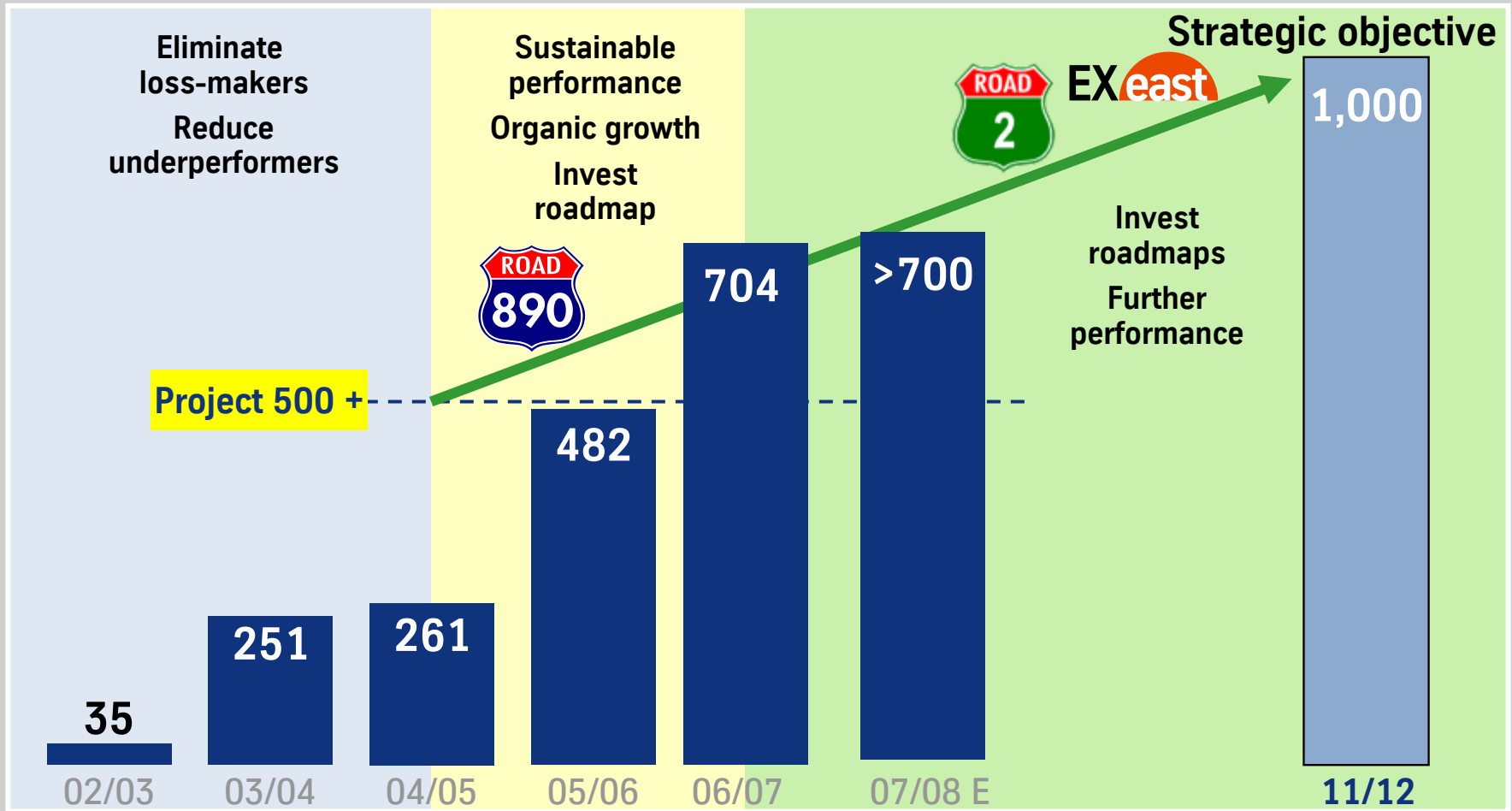


Conclusion: Focus on Materials Services and Special Products



Services Growth Strategy Through Focusing

Retain goal for Services €1.0 billion EBT 11/12



Services Business of ThyssenKrupp – Strategic Goals at a Glance

Elevator	
Strategic profit target	EBT: €0.8 billion
Performance	<ul style="list-style-type: none"> • EMC • Components Standardization
Products	<ul style="list-style-type: none"> • TWIN • synergy • TurboTrack
Services	<ul style="list-style-type: none"> • Service Awareness Initiative • RENEW
Regions	<p>Eastern Europe, Asia, Gulf States</p> <ul style="list-style-type: none"> • Growth regions • Infrastructure projects

Services	
Strategic profit target	EBT: €1.0 billion
Focussing	<ul style="list-style-type: none"> • Materials Services • Special Products
Performance	<ul style="list-style-type: none"> • Ongoing programs purchasing, logistics, IT and sales • New performance program III
Growth	<ul style="list-style-type: none"> • Regions (Eastern Europe, Asia, North America) • Sectors (aerospace) • Products and services (Processing, plastics)

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- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

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